PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 10, 2026

NEW ISSUES – BOOK-ENTRY ONLY

In the opinion of the Attorney General of the State of New York (the "Attorney General"), under existing law and assuming compliance with the tax covenants described herein, interest on the Series 2026A Tax-Exempt Bonds is excludable from gross income for Federal income tax purposes and is not a specific preference item for purposes of the Federal alternative minimum tax imposed on individuals; however, interest on the Series 2026A Tax-Exempt Bonds held by certain corporations that are subject to the federal corporate alternative minimum is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. The Attorney General is further of the opinion that, assuming compliance with the tax covenants described herein, interest on the Series 2026A Tax-Exempt Bonds is exempt from personal income taxes of the State of New York (the "State") and its political subdivisions, including The City of New York and the City of Yonkers, as described more fully herein.

Interest on the Series 2026B Taxable Bonds will be subject to Federal income taxes and personal income taxes imposed by the State and any political subdivision thereof, including The City of New York and the City of Yonkers.

See "PART I – SECTION 5 – TAX MATTERS" herein regarding certain other tax considerations.

STATE OF NEW YORK
GENERAL OBLIGATION BONDS

$264,150,000* Series 2026A Tax-Exempt Bonds (Sustainability Bonds)
$53,025,000* Series 2026B Taxable Bonds (Sustainability Bonds)

Dated: Date of Delivery **Due: As shown on inside cover**

The Series 2026A Tax-Exempt Bonds (Sustainability Bonds) (the "Series 2026A Tax-Exempt Bonds") and the Series 2026B Taxable Bonds (Sustainability Bonds) (the "Series 2026B Taxable Bonds" and, together with the Series 2026A Tax-Exempt Bonds, the "Bonds") will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interests in the Bonds purchased. See "PART I – SECTION 1 – DESCRIPTION OF THE BONDS – Book-Entry-Only System." The Bonds will mature on the dates and bear interest at the rates and will have yields as shown on the inside cover page hereof. Interest on the Bonds will be payable beginning on March 15, 2027 and semi-annually thereafter on each September 15 and March 15 until maturity. The Bonds will be subject to redemption prior to maturity as set forth herein.

The Bonds will be general obligations of the State, and the full faith and credit of the State will be pledged to the payment of the principal of and interest on the Bonds.

Under State law, the Bonds are legal investments for State-chartered banks and trust companies, savings banks, insurance companies, fiduciaries and investment companies and may be accepted by the State Comptroller and the State Superintendent of Financial Services where the deposit of obligations is required by law.

The State is designating the Bonds as "Sustainability Bonds." See "PART I – SECTION 2 – DESIGNATION OF THE BONDS AS SUSTAINABILITY BONDS" herein. The State has received a Second Party Opinion from S&P Global Ratings, as described and included herein.

The Bonds are offered when, as and if issued and subject to receipt of an opinion by the Attorney General that the Bonds are valid and enforceable obligations of the State. See Exhibit B to Part I of this Official Statement.

The Bonds are offered for sale in accordance with the Notices of Sale published with respect to each Series of the Bonds.

Each Series of the Bonds will be awarded pursuant to electronic competitive bidding to be held via S&P Global's BiDCOMP™/Parity® on behalf of the State Comptroller on September 17, 2026, unless postponed or cancelled, as set forth in the Notices of Sale contained in Exhibits D and E to this Preliminary Official Statement.

The Record Date for the Bonds shall be the last business day of the calendar month immediately preceding the applicable interest payment date.

The Bonds will be available for delivery through the facilities of DTC on or about September 30, 2026.

Dated: September __, 2026

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* Preliminary, subject to change.

STATE OF NEW YORK GENERAL OBLIGATION BONDS

AMOUNTS, MATURITIES, INTEREST RATES, AND YIELDS

$264,150,000* Series 2026A Tax-Exempt Bonds (Sustainability Bonds)
(Base CUSIP Number†: 649791)

Maturity September 15*	Amount*	Interest Rate	Price/ Yield	CUSIP Suffix†	Maturity September 15*	Amount*	Interest Rate	Price/ Yield	CUSIP Suffix†
2032	$ 7,045,000				2040	$16,745,000			
2033	$11,800,000				2041	$17,605,000			
2034	$12,405,000				2042	$18,510,000			
2035	$13,040,000				2043	$19,460,000			
2036	$13,710,000				2044	$20,455,000			
2037	$14,415,000				2045	$21,505,000			
2038	$15,155,000				2046	$22,605,000			
2039	$15,930,000				2047	$23,765,000			

$53,025,000* Series 2026B Taxable Bonds (Sustainability Bonds)
(Base CUSIP Number†: 649791)

Maturity September 15*	Amount*	Interest Rate	Price/ Yield	CUSIP Suffix†
2027	$ 8,895,000			
2028	$ 9,305,000			
2029	$ 9,740,000			
2030	$10,205,000			
2031	$10,695,000			
2032	$ 4,185,000			

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services, an organization not affiliated with the State. The CUSIP® numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and the State makes no representation with respect to such numbers nor 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 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 Bonds.

No dealer, broker, salesperson or other person has been authorized by the State 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 so 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 Bonds or any other securities of the State by any person or in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information herein has been furnished solely by the State and by other sources that are believed by the State to be reliable, but it is not guaranteed as to its accuracy or completeness. The information and expressions of opinion herein are 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 financial condition of the State since the date hereof. 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 purposes.

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.

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OFFICIAL STATEMENT

OF

THE STATE OF NEW YORK

RELATING TO THE ISSUE AND SALE OF

GENERAL OBLIGATION BONDS

$264,150,000[*] Series 2026A Tax-Exempt Bonds (Sustainability Bonds)
$53,025,000[*] Series 2026B Taxable Bonds (Sustainability Bonds)

INTRODUCTION

This Official Statement of the State of New York (the "State"), including the cover page, inside cover page and exhibits, is provided for the purpose of setting forth information in connection with the sale of $264,150,000[*] aggregate principal amount of its Series 2026A Tax-Exempt Bonds (Sustainability Bonds) (the "Series 2026A Tax-Exempt Bonds") and $53,025,000[*] aggregate principal amount of its Series 2026B Taxable Bonds (Sustainability Bonds) (the "Series 2026B Taxable Bonds"). The Series 2026A Tax-Exempt Bonds and the Series 2026B Taxable Bonds are collectively referred to herein as the "Bonds." The Bonds are general obligations of the State and the full faith and credit of the State will be pledged to the payment of the principal of and interest on the Bonds.

The Series 2026A Tax-Exempt Bonds are being issued for the purposes and in the principal amounts as set forth below:

Purpose	**Amount[*]**
Clean Water/Clean Air	
Clean Water	$ 4,377,179.93
Environmental Restoration	55,147.68
Air Quality	719,314.62
Clean Water, Clean Air, and Green Jobs	
Restoration and Flood Risk Reduction	8,412,641.09
Open Space Land Conservation and Recreation	46,029,666.03
Climate Change Mitigation	41,577,732.25
Water Quality Improvement and Resilient Infrastructure	33,867,687.82
Environmental Quality 1972	
Air	515,652.11
Rebuild and Renew New York Transportation	
Aviation	487,284.87
Rails and Ports	130,377.09
Smart Schools	127,977,316.51
	$264,150,000.00

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[*] Preliminary, subject to change.

The Series 2026B Taxable Bonds are being issued for the purposes and in the principal amounts as set forth below:

Purpose	**Amount**[*]
Clean Water/Clean Air	
Clean Water	$ 202,285.09
Environmental Restoration	140,815.87
Air Quality	1,440,338.04
Clean Water, Clean Air, and Green Jobs	
Restoration and Flood Risk Reduction	9,413.66
Open Space Land Conservation and Recreation	1,030,362.19
Climate Change Mitigation	119,176.07
Water Quality Improvement and Resilient Infrastructure	215,334.95
Environmental Quality 1986	
Solid Waste	17,314,430.58
Rebuild and Renew New York Transportation	
Aviation	32,022.48
Smart Schools	32,520,821.07
	$53,025,000.00

The Bonds mature on the dates and bear interest at the respective interest rates set forth on the inside cover page of this Official Statement.

This Official Statement consists of three parts, Part I (including Exhibits A through F), Part II and Part III.

Part I sets forth information concerning the Bonds – the rights of Bondholders, the payment and redemption provisions of the Bonds, the use of proceeds of the Bonds, and certain other information relating to the Bonds.

Part II sets forth or includes by reference information concerning the State of New York, including information relating to the State's current fiscal year, prior fiscal years, economic background, financing activities, State organization and procedures, the State's public authorities and localities and certain litigation involving the State in the form of the Annual Information Statement of the State of New York dated June 10, 2026 (the "AIS"), prepared by the State Division of the Budget ("DOB"). The AIS contains information only through its date. The AIS has been electronically filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system.

Part III includes by reference the Basic Financial Statements and Other Supplementary Information of the State for the fiscal year ended March 31, 2026, dated July 24, 2026, which were electronically filed with the MSRB through its EMMA system on July 28, 2026. The State's Basic Financial Statements and Other Supplementary Information are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and are independently audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits

[*] Preliminary, subject to change.

contained in Government Auditing Standards, issued by the Comptroller General of the United States. CliftonLarsonAllen LLP, the State's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in Part III, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement.

This Official Statement should be read in its entirety, including the Exhibits hereto. Parts II and III contain important information about the State, which has been provided by the State and from sources believed by the State to be reliable.

DOB has assisted the Office of the State Comptroller in assembling the information contained herein. Quotations, summaries and explanations of laws of the State contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

PART I: INFORMATION CONCERNING THE BONDS BEING OFFERED

SECTION 1 – DESCRIPTION OF THE BONDS

General

The Bonds will constitute general obligations of the State to which its full faith and credit will be pledged. The Bonds will be issued pursuant to the authority contained in Article VII, Sections 11 and 12 of the State Constitution, Sections 56, 57 and 61 of the State Finance Law and appropriation acts enacted by the State Legislature.

The Bonds will be dated the date of delivery. Principal on the Bonds will be payable on September 15, 2027* and thereafter, until maturity, as shown on the inside cover page hereof. Interest on the Bonds will be payable on March 15, 2027 and semi-annually thereafter on each September 15 and March 15 until maturity.

Rights of the Bondholders

The State Constitution requires that the Legislature shall annually provide by appropriation for the payment of interest on and installments of principal of all State bonds as the same shall fall due, including contributions to all sinking funds for such bonds, and further provides that, if at any time the Legislature shall fail to make any such appropriation, the Comptroller shall set apart from the first revenues thereafter received applicable to the General Fund of the State a sum sufficient to pay such interest, installments of principal or contributions to such sinking funds, as the case may be, and shall so apply the moneys thus set apart. In such circumstances, the Comptroller may be required to set aside and so apply such revenues at the suit of any holder of such bonds. The State has always made payments of interest on and installments of principal of all State bonds when due. Under the State Constitution, in the event of the defeasance of the Bonds, the holders of the Bonds shall have no further rights against the State for payment of the Bonds or any interest thereon.

The State Constitution does not provide for the contingency where an appropriation for debt service on bonds has been made but moneys are unavailable on the payment date. If the above-described set-aside provisions of the State Constitution were inapplicable in that situation, the holder of any bond could recover a judgment against the State in the State Court of Claims for principal and interest due, and the Comptroller would be required to pay the judgment, after audit, upon presentation to him of a certified copy of the judgment. Judgments against the State may not be enforced by levy and execution against property of the State, and such enforcement is limited to the amount of moneys appropriated by the Legislature and legally

* Preliminary, subject to change.

available for such purpose. Because the State has never defaulted on the payment of principal of or interest on its obligations, there has never been any occasion to test a bondholder's remedies in this circumstance.

State law provides for the impoundment of State taxes and revenues in advance of the maturity of tax and revenue anticipation notes ("TRANs") issued during any fiscal year and for the deposit of such impounded moneys in a special account for the benefit of the holders of such notes. If, in any fiscal year in which such impoundment legislation is in effect, the Legislature shall have appropriated a sufficient amount to pay debt service on outstanding bonds but there shall be insufficient moneys free of such impoundment to pay such debt service when due, the holder of such TRANs may have a claim to taxes and revenues deposited or to be deposited in such special account superior to that of bondholders, including holders of the Bonds. There is no judicial decision determining the relative rights of holders of notes and bonds of the State in this or any similar circumstance.

Optional Redemption Prior to Maturity*

Optional Redemption for the Series 2026A Tax-Exempt Bonds

The Comptroller reserves to the State the right to redeem, on and after September 15, 2036, the Series 2026A Tax-Exempt Bonds maturing on or after September 15, 2037 and then outstanding, in whole or in part, at any time, priority among maturities to be directed by the State, and by lot, to be chosen by The Depository Trust Company ("DTC") or any successor and its Participants, within a maturity at par plus accrued interest to the date fixed for redemption.

The Comptroller reserves to the State the right to redeem the Series 2026A Tax-Exempt Bonds maturing on or before September 15, 2036 prior to their stated maturity dates at the written direction of the State, in whole or in part, on any date (the "Tax-Exempt Make-Whole Call Date"), at a make-whole price (the "Tax-Exempt Make-Whole Redemption Price") equal to the greater of:

(1) one hundred percent (100%) of the Amortized Value (as defined below) of the Series 2026A Tax-Exempt Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2026A Tax-Exempt Bonds to be redeemed (taking into account any mandatory sinking fund redemption) from and including the Tax-Exempt Make-Whole Call Date to the maturity date of such Series 2026A Tax-Exempt Bonds, not including any portion of those payments of interest accrued and unpaid as of the Tax-Exempt Make-Whole Call Date, discounted to the Tax-Exempt Make-Whole Call Date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at a discount rate equal to the greater of (a) the Applicable Tax-Exempt Bond Rate (as defined below) minus 20 basis points; or (b) zero basis points;

plus accrued and unpaid interest on such Series 2026A Tax-Exempt Bonds to the Tax-Exempt Make-Whole Call Date.

"Amortized Value" means the product of the principal amount of the Series 2026A Tax-Exempt Bonds to be redeemed and the price of such Series 2026A Tax-Exempt Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the Tax-Exempt Make-Whole Call Date, a maturity date equal to the maturity date of such Series 2026A Tax-Exempt Bonds and a yield equal to the yield of such Series 2026A Tax-Exempt Bonds as shown on the inside cover page of this Official Statement.

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* Preliminary, subject to change.

"Applicable Tax-Exempt Bond Rate" means the "Interpolated AAA Yields" rate for the maturity date of the Series 2026A Tax-Exempt Bonds to be redeemed, as published by the Municipal Market Data ("MMD") at least five calendar days, but not more than 60 calendar days, prior to the Tax-Exempt Make-Whole Call Date of the Series 2026A Tax-Exempt Bonds to be redeemed, or if no such rate is established for the applicable maturity date, the "Interpolated AAA Yields" rate for the published maturities closest to the applicable maturity date.

Should the MMD no longer publish the "Interpolated AAA Yields" rate, then the Applicable Tax-Exempt Bond Rate will equal the "BVAL Muni AAA Monthly Callable Yields" rate for the maturity date (made available by Bloomberg at the close of business each day). In the further event that Bloomberg no longer publishes the "BVAL Muni AAA Monthly Callable Yields" rate, the Applicable Tax-Exempt Bond Rate will be determined by a verification agent, investment banking firm or financial advisor appointed by the State for such purpose, based upon the rate per annum equal to the semi-annual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category by Moody's Ratings and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, with a maturity date equal to the maturity date of such Series 2026A Tax-Exempt Bonds having characteristics (other than the ratings) most comparable to those of such Series 2026A Tax-Exempt Bonds in the judgment of the verification agent, investment banking firm or financial advisor. The verification agent's, investment banking firm's or financial advisor's determination of the Applicable Tax-Exempt Bond Rate shall be final and binding in the absence of manifest error.

The Tax-Exempt Make-Whole Redemption Price will be determined by a verification agent, investment banking firm or financial advisor appointed by the State for such purpose. The Comptroller may conclusively rely on such verification agent's, investment banking firm's or financial advisor's determination of such Tax-Exempt Make-Whole Redemption Price and will bear no liability for such reliance.

Optional Redemption for the Series 2026B Taxable Bonds

The Comptroller reserves to the State the right to redeem the Series 2026B Taxable Bonds prior to their stated maturity dates at the written direction of the State, in whole or in part, on any business day, at the Taxable Make-Whole Redemption Price described below.

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

(1) one hundred percent (100%) of the principal amount of the Series 2026B Taxable Bonds to be redeemed, or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2026B Taxable Bonds to be redeemed (taking into account any mandatory sinking fund redemptions), not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2026B Taxable Bonds are to be redeemed, discounted to the date on which such Series 2026B Taxable 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 (defined below) plus 0 basis points,

plus accrued and unpaid interest on such Series 2026B Taxable Bonds to be redeemed on the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2026B Taxable Bond being redeemed prior to maturity, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not 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 2026B Taxable Bonds to be redeemed on the redemption date.

Mandatory Redemption*

Mandatory Redemption of the Series 2026A Tax-Exempt Bonds

The Series 2026A Tax-Exempt Bonds maturing on September 15, 20__ (the "Series 2026A Term Bonds"), 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 2026A Term Bonds specified for each of the dates shown in the following tables:

Series 2026A Term Bond*
Maturing September 15, 20__

September 15	Sinking Fund Installment
†	

† Stated maturity.

Mandatory Redemption of the Series 2026B Taxable Bonds

The Series 2026B Taxable Bonds maturing on September 15, 20__ (the "Series 2026B Term Bonds"), 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 2026B Term Bonds specified for each of the dates shown in the following tables:

* Preliminary, subject to change.

Series 2026B Term Bond[*]
Maturing September 15, 20__

September 15	Sinking Fund Installment
†	

[†] Stated maturity.

Allocation of Sinking Fund Payments for the Series 2026 Term Bonds

In connection with any optional redemption or purchase and cancellation of Series 2026A Term Bonds and of Series 2026B Term Bonds, collectively referred to herein as the "Series 2026 Term Bonds," the principal amount of such Series 2026 Term Bonds being redeemed or purchased and cancelled shall be allocated against the scheduled sinking fund redemption amounts set forth above in such manner as the State may direct and the scheduled Sinking Fund Installments payable thereafter shall be modified as to such Series 2026 Term Bonds. In such event, the State shall provide to the Trustee a revised schedule of Sinking Fund Installments.

Selection of Bonds to be Redeemed; Notice of Redemption

The Series 2026A Tax-Exempt Bonds

In the case of redemption of the Series 2026A Tax-Exempt Bonds at the option of the State, the State will select the maturities (and interest rates, if applicable) of the Series 2026A Tax-Exempt Bonds to be redeemed.

If less than all of the Series 2026A Tax-Exempt Bonds of a maturity (and interest rates, if applicable) are to be redeemed, the Trustee shall assign to each Outstanding Tax-Exempt Bonds 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 Tax-Exempt 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 2026A Tax-Exempt Bonds, as many numbers as, at such unit amount equal to the lowest denomination in which such Series 2026A Tax-Exempt Bonds are authorized to be issued for each number, shall equal the principal amount of such Series 2026A Tax-Exempt Bonds to be redeemed.

For so long as DTC is the registered owner of the Series 2026A Tax-Exempt Bonds, procedures with respect to the transmission of notices and the selection of the Series 2026A Tax-Exempt 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 2026A Tax-Exempt Bonds so held shall be in accordance with arrangements among the Trustee, the State and DTC.

The Series 2026B Taxable Bonds

While the Series 2026B Taxable Bonds are held in DTC book-entry only form, in the case of optional redemption of the Series 2026B Taxable Bonds, if less than all of the Series 2026B Taxable Bonds

[*] Preliminary, subject to change.

are to be redeemed, the particular Series 2026B Taxable 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 Fiscal Agent. If the Fiscal Agent 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 2026B Taxable Bonds will be selected for redemption in accordance with DTC procedures by lot. The State intends that redemption allocations to be made by DTC, the DTC Participants or such other intermediaries that may exist between the State and the owners of the Series 2026B Taxable Bonds be made on a "Pro Rata Pass-Through Distribution of Principal" basis as described above. However, the State 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 2026B Taxable Bonds on a "Pro Rata Pass-Through Distribution of Principal" basis, the Series 2026B Taxable Bonds will be selected for redemption by lot.

If the Series 2026B Taxable Bonds are not registered in book-entry form and if fewer than all of a maturity of the Series 2026B Taxable Bonds are to be redeemed, the particular Series 2026B Taxable 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 2026B Taxable Bonds being in authorized denominations.

Notice of Redemption

The State will give notice of any such redemption, to the registered owners of the Bonds to be redeemed at their addresses as they appear in the registration books of the State or its fiscal agent, not less than twenty (20) nor more than sixty (60) days prior to the redemption. So long as all of the Bonds remain immobilized in the custody of DTC, any such notice of redemption of any Bond will be delivered only to DTC. DTC is responsible for notifying DTC Participants of such redemption and DTC Participants and Indirect Participants are responsible for notifying Beneficial Owners of such redemption. The State is not responsible for sending notices to Beneficial Owners. Interest will cease to accrue on the Bonds called for redemption from and after the date fixed for redemption thereof.

The State may provide conditional notice of redemption, which may state that such redemption is conditioned upon the receipt of moneys or any other event. If such conditions are not met, such redemption shall not occur and the State is to give notice, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given as described above. Additionally, any such conditional redemption notice may be rescinded no later than one Business Day prior to the date specified for redemption by written notice by the State given, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given.

Book-Entry-Only System

Beneficial ownership interests in each Series and maturity of the Bonds will be available in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Bonds will not receive certificates representing their interests in the Bonds purchased.

DTC will act as securities depository for the Bonds. The 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 bond certificate will be issued for each Series and maturity of the Bonds, totaling the aggregate principal amount of the Bonds of each Series, 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. DTC holds securities that its 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 Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 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 bond certificates representing their ownership interests in the Bonds, except in the event that the use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the 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 the State on the 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 Bank of New York Mellon (the "Fiscal Agent"), or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Fiscal Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The State and the Fiscal Agent may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, giving any notice permitted or required to be given to registered owners, registering the transfer of the Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The State and the Fiscal Agent shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person that is not shown on the registration books of the State (kept by the Fiscal Agent) as a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment or timeliness of payments by DTC or any Participant of any amount in respect of the principal of, or premium, if any, or interest on the 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 the State; the selection by DTC or any Participant or Indirect Participant of any beneficial owners to receive payment in the event of a partial redemption of the Bonds; or other action taken by DTC as a registered owner. Interest and principal will be paid by the Fiscal Agent to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

SO LONG AS CEDE & CO. (OR SUCH OTHER NOMINEE AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL THE BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS OR BONDHOLDERS OF THE BONDS (OTHER THAN UNDER "SECTION 5 — TAX MATTERS", "SECTION 11 — CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12" AND EXHIBIT C HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

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

DTC may discontinue providing its services as depository with respect to a Series of the Bonds at any time by giving reasonable notice to the State and discharging its responsibilities with respect thereto under applicable law, or the State may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the State may retain another securities depository for the Bonds or may direct the Fiscal Agent to deliver bond certificates in accordance with instructions from DTC or its successor. If the State directs the Fiscal Agent to deliver such bond certificates, such Bonds may thereafter be exchanged for an equal aggregate principal amount of Bonds of the applicable

Series in other authorized denominations and of the same maturity as set forth on the inside cover page hereof, upon surrender thereof at the principal corporate trust office of the Fiscal Agent, who will then be responsible for maintaining the registration books of the State.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants and Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be.

THE STATE AND FISCAL AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE STATE AND FISCAL AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC OR THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE STATE NOR THE INITIAL PURCHASERS MAKE ANY REPRESENTATIONS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

SECTION 2 – DESIGNATION OF THE BONDS AS SUSTAINABILITY BONDS

General

The Bonds have been designated as Sustainability Bonds pursuant to the "Second-Party Opinion" from S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), attached as Exhibit G to Part I of this Official Statement, in which S&P assesses the State's use of Bond proceeds and alignment with the International Capital Market Association's (the "ICMA") Green Bond Principles, Social Bond Principles, and Sustainability Bonds Guidelines, as described in S&P's Second-Party Opinion.

The term “Sustainability Bonds” is neither defined in nor related to provisions in the State Constitution or the laws of the State pursuant to which the Bonds are being issued. Owners of the Bonds do not have any security other than the full faith and credit of the State being pledged to the payment of the principal of and interest on the Bonds, nor do such owners of the Bonds assume any specific project risk related to any of the projects funded thereby. The State assumes no obligation to ensure that the projects financed with proceeds of the Bonds comply with any legal or other standards or principles that may relate to “Sustainability Bonds,” or that the Bonds comply with any legal or other standards or principles that may relate to “Sustainability Bonds.” The State has not independently confirmed or verified the information contained herein relating to “Sustainability Bonds.”

There is no universally accepted environmental, social and governance (“ESG”) standard or definition on labeling an ESG security in the municipal market. No assurance can be given that a clear definition will develop over time, or, if developed, will include the projects to be financed with the proceeds of the Bonds. Accordingly, no assurance is or can be given to investors that any uses of the Bonds will meet investor expectations regarding “sustainability” or other equivalently labelled performance objectives.

Sustainability Bonds Designation

The International Capital Market Association (the “ICMA”), in its publication, Sustainability Bond Guidelines, June 2021, defines Sustainability Bonds as “any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, a combination of green and social projects” and which are “aligned with the four core components of both the Green Bond Principles and the Social Bond Principles.” The Second-Party Opinion finds that the projects financed with proceeds of the Bonds align with such four core components: (i) use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds, and (iv) reporting.

The Second-Party Opinion finds the projects financed with proceeds of the Bonds address physical climate risk, pollution, water, and impact on communities, which are material sustainability factors in the government sector and uniquely benefit low-income communities in the State. See S&P’s Second-Party Opinion attached as Exhibit G to Part I of this Official Statement.

Independent Second-Party Opinion on Sustainability Bond Designation and Disclaimer

S&P’s Second-Party Opinion assesses the use of Bond proceeds and alignment with Green Bonds Principles and Social Bond Principles.

S&P’s Second-Party Opinion does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Bonds. S&P’s Second-Party Opinion is not a recommendation to any person to purchase, hold or sell the Bonds, does not address the market price or suitability of the Bonds for a particular investor and does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second-Party Opinion, S&P has assumed and relied upon the accuracy and completeness of the information made publicly available by the State or that was otherwise made available to S&P.

SECTION 3 – PLAN OF FINANCING

Estimated Sources and Uses of Funds

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

Sources	Series 2026A	Series 2026B
Principal Amount		
[Net] Original Issue Premium/Discount		
Payment from the State for Costs of Issuance		
State Funds on Hand		
Total Sources		

Uses		
Deposit to Bond Proceeds Funds		
Initial Purchaser's Discount		
Costs of Issuance		
Total Uses		

Application of Series 2026A Tax-Exempt Bonds and Series 2026B Taxable Bonds Proceeds

The net proceeds of the Series 2026A Tax-Exempt Bonds will be used to finance capital expenditures made during prior or current State fiscal years for Clean Water/Clear Air, Clean Water, Clean Air, and Green Jobs, Environmental Quality 1972, Rebuild and Renew New York Transportation and Smart Schools Bonds purposes.

The net proceeds of the Series 2026B Taxable Bonds will be used to finance capital expenditures made during prior or current State fiscal years for Clean Water/Clear Air, Clean Water, Clean Air, and Green Jobs, Environmental Quality 1986, Rebuild and Renew New York Transportation and Smart Schools Bonds purposes.

SECTION 4 – LEGAL INVESTMENT

Under existing State law, the Bonds are legal investments for the State (except for State money set aside to repay any State TRANs) and for municipalities, school districts, fire districts, State chartered banks and trust companies, savings banks, savings and loan associations, credit unions and insurance companies organized under the laws of the State subject to applicable statutory requirements. There are no State statutory restrictions on the purchase of the Bonds by investment companies.

The Bonds may be accepted by the Comptroller and by State agencies and localities in situations where a supplier or contractor is required to deposit securities to secure performance of a contract. The Bonds may also be accepted by the Comptroller and the State Superintendent of Financial Services where State law requires the deposit of securities.

With a few exceptions and subject to any contrary provisions in any agreement with noteholders or bondholders or other contracts, the Bonds are legal investments for public authorities in the State. The Bonds may be accepted by public authorities where the deposit of obligations is required to secure performance of contractors.

SECTION 5 – TAX MATTERS

The following is a summary of certain of the United States Federal income tax and State of New York personal income tax consequences of the ownership of the Bonds as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States Federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

Tax-Exempt Bonds

The Code sets forth certain requirements that must be met after the Series 2026A Tax-Exempt Bonds have been validly issued and delivered in order that interest on the Series 2026A Tax-Exempt Bonds will be and will remain excludable from gross income pursuant to Section 103 of the Code. Such requirements may include the rebating of certain amounts earned from the investment of the proceeds of the Series 2026A Tax-Exempt Bonds. Rebates of any such amounts are subject to future appropriation by the State Legislature. The Tax Certificate to be prepared and executed by the Comptroller and dated as of the date of delivery of the Series 2026A Tax-Exempt Bonds (the "Certificate"), which will be delivered concurrently with the delivery of the Series 2026A Tax-Exempt Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Comptroller, in executing the Certificate, will certify that he expects to be able to and will comply with the provisions and procedures set forth therein. The Comptroller will also certify in the Certificate that, to the extent authorized by law, he will do and perform all acts and things necessary or desirable to assure that interest paid on the Series 2026A Tax-Exempt Bonds is excludable from gross income under Section 103 of the Code. By the time the Series 2026A Tax-Exempt Bonds have been delivered, the Comptroller will also have received certificates from other governmental officers and entities relating to the use of the proceeds of the Series 2026A Tax-Exempt Bonds.

Assuming compliance with the provisions and procedures set forth in the Certificate and subsequent rebating and other requirements, the Attorney General is of the opinion that, under the Code and other existing statutes, regulations, administrative rulings, and court decisions, interest on the Series 2026A Tax-Exempt Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes pursuant to Section 103 of the Code and that such interest will not be treated as a specific preference item in calculating the alternative minimum tax on individuals that may be imposed under the Code; however, interest on the Series 2026A Tax-Exempt Bonds held by certain corporations that are subject to the federal corporate alternative minimum is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. Assuming compliance with the provisions and procedures set forth in the Certificate and subsequent rebating and other requirements, it is further the opinion of the Attorney General that such interest is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York and the City of Yonkers.

The Attorney General expresses no opinion regarding any other federal, state or local tax consequences with respect to the Series 2026A Tax-Exempt Bonds. The Attorney General renders her opinion under existing law as of the date of issue, and assumes no obligation to update her opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. The Attorney General expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2026A Tax-Exempt Bonds, or under state and local law.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2026A Tax-Exempt Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Series 2026A Tax-Exempt Bonds of that maturity was sold (excluding sales to underwriters and related parties thereto). In general, the issue price for each maturity of Series 2026A Tax-Exempt Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement. The Attorney General is further of the opinion that, for any Series 2026A Tax-Exempt Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income and alternative minimum income taxation for Federal income tax purposes to the same extent as other interest on the Series 2026A Tax-Exempt Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series 2026A Tax-Exempt Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of OID for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Series 2026A Tax-Exempt Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2026A Tax-Exempt Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series 2026A Tax-Exempt Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Collateral Tax Consequences

Ownership of tax-exempt obligations may result in tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty and life insurance companies, corporations subject to the environmental tax, certain foreign corporations doing business in the United States, certain S Corporations, individuals who otherwise qualify for the earned income credit or who are recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2026A Tax-Exempt Bonds should consult their tax advisors as to applicability of any such consequences.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2026A Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2026A Tax-Exempt Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2026A Tax-Exempt Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Legislation

Current and future legislative proposals, if enacted into law, clarification of the Code or state or local tax law or court decisions may cause interest on the Series 2026A Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2026A Tax-Exempt Bonds. Prospective purchasers of the Series 2026A Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which the Attorney General is expected to express no opinion.

Taxable Bonds

The Attorney General expresses no opinion regarding any federal, state or local tax consequences with respect to the Series 2026B Taxable Bonds.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain or loss with respect to the Series 2026B Taxable Bonds at the time such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

Tax Status of the Taxable Bonds

The following discussion is a summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of the Series 2026B Taxable Bonds by purchasers who are U.S. Holders. As used herein, the term "U.S. Holder" means a beneficial owner of a Series 2026B Taxable Bond that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

The Series 2026B Taxable Bonds will be treated, for Federal and State and local income tax purposes, as a debt instrument. Accordingly, interest will be included in the income of the holder as it is paid (or, if the holder is an accrual method taxpayer, as it is accrued) as interest. Interest on the Series 2026B Taxable Bonds will be subject to Federal income taxes and personal income taxes imposed by the State and any political subdivision thereof, including The City of New York and the City of Yonkers.

Although the Series 2026B Taxable Bonds are expected to trade "flat," that is, without a specific allocation to accrued interest, for Federal income tax purposes, a portion of the amount realized on a sale attributed to the Series 2026B Taxable Bonds will be treated as accrued interest and thus will be taxed as ordinary income to the seller (and will not be subject to tax in the hands of the buyer).

Original Issue Discount

OID is the excess of the sum of all amounts payable at the stated maturity of a Series 2026B Taxable Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Series 2026B Taxable Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Series 2026B Taxable Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement.

A holder of a Series 2026B Taxable Bond will be required to include OID in gross income as it accrues under a constant yield method, based on the original yield to maturity of the Series 2026B Taxable Bonds. Thus, the holders of such Series 2026B Taxable Bonds will be required to include OID in income as it accrues, prior to the receipt of cash attributable to such income. U.S. holders, however, would be entitled to claim a loss upon maturity or other disposition of such Series 2026B Taxable Bonds with respect to interest amounts accrued and included in gross income for which cash is not received. Such a loss generally would be a capital loss.

The amount of OID that such holder of a Series 2026B Taxable Bond must include in gross income with respect to a Series 2026B Taxable Bond acquired at a premium as described below will be reduced in proportion that such premium bears to the OID remaining to be accrued as of the acquisition of the Series 2026B Taxable Bond.

Market Discount

If a holder purchases the Series 2026B Taxable Bonds subsequent to its initial issuance for an amount that is less than the principal amount of the Series 2026B Taxable Bonds or its adjusted issue price if issued with OID (generally its accreted value), and such difference is not considered to be de minimis, then such discount will represent market discount that ultimately will constitute ordinary income (and not capital gain). Further, absent an election to accrue market discount currently, upon a sale or exchange of a Series 2026B Taxable Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount Series 2026B Taxable Bond that does not exceed the accrued market discount for any taxable year, will be deferred.

Backup Withholding

Purchasers of the Series 2026B Taxable Bonds who are U.S. holders and who are neither a corporation or other exempt recipient of payments of principal, interest or accrued OID or sale proceeds upon disposition prior to maturity of the Series 2026B Taxable Bonds, nor a holder who provides a correct taxpayer identification number may be subject to backup withholding requirements under Section 3406 of the Code.

Defeasance of Taxable Bonds

Defeasance of any Series 2026B Taxable Bond may result in a deemed reissuance thereof for Federal income tax purposes, meaning that such Series 2026B Taxable Bond will be treated as having been sold or exchanged as of the date of such defeasance for a new obligation which is represented by such defeased Series 2026B Taxable Bond. In such event a holder of a defeased Series 2026B Taxable Bond will recognize taxable gain or loss equal to the difference between the amount realized from such deemed sale or exchange (less any accrued qualified stated interest which will be taxable as such) and the holder's adjusted tax basis in such Series 2026B Taxable Bond.

Foreign Investors

This summary of tax considerations generally does not address the tax consequences to an investor who is not a U.S. Holder. Distributions on the Series 2026B Taxable Bonds to a non-U.S. Holder that has no connection with the United States other than holding its Series 2026B Taxable Bonds generally will be made free of withholding tax, as long as that holder has complied with certain tax identification and certification requirements. Prospective purchasers of the Series 2026B Taxable Bonds who are not U.S. Holders should consult their tax advisors regarding the federal, state and local, and foreign tax consequences of purchasing and holding the Series 2026B Taxable Bonds.

SECTION 6 – RATINGS

The Bonds are rated "__" by Moody's Ratings, "__" by S&P Global Ratings, "__" by Fitch Ratings and "__" by Kroll Bond Rating Agency, LLC.

Ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings must be obtained from the rating agency furnishing the same. There is no assurance that a particular rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

SECTION 7 – SALE BY COMPETITIVE BIDDING

Each Series of the Bonds will be awarded pursuant to electronic competitive bidding to be held via S&P Global's BiDCOMP™/Parity® Competitive Bidding System on behalf of the State Comptroller on September 17, 2026, unless postponed or cancelled, as set forth in the Notices of Sale contained in Exhibits D and E hereto.

The respective initial purchasers of the Bonds (each an "Initial Purchaser") are expected to supply the information as to the initial public offering prices of the Bonds as set forth on the inside cover of this Official Statement with respect to the Bonds purchased by each such Initial Purchaser. The Bonds may be offered and sold to certain dealers at prices lower than the public offering prices set forth on the inside cover page, and such public offering prices may be changed from time to time by the Initial Purchasers.

SECTION 8 – OPINION OF ATTORNEY GENERAL

The Attorney General will deliver a legal opinion to the Comptroller on the date of delivery of the Bonds, in substantially the form attached as Exhibit B to Part I of this Official Statement, as to the validity and binding effect of the Bonds, and the extent to which interest on the Bonds is exempt from Federal and State income taxes.

SECTION 9 – LITIGATION

No litigation is pending or, to the knowledge of the Attorney General, threatened against or affecting the State seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds.

Litigation is pending in which the State is a party. For a description of certain litigation affecting the State, see the section entitled "Litigation" in Part II of this Official Statement.

SECTION 10 – CLOSING CERTIFICATE

Concurrently with the delivery of the Bonds, the State will furnish: (i) a certificate signed by the Comptroller of the State of New York and dated as of the date of the delivery of and payment for the Bonds certifying with respect to Parts I and III of the Official Statement, but not with respect to Part II of the Official Statement, that as of the date of the Official Statement furnished by the State in relation to the sale of the Bonds, Parts I and III of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Parts I and III of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading; and (ii) a certificate signed by the Director of the Budget of the State of New York and dated as of the date of the delivery of and payment for the Bonds certifying with respect to Part II of the Official Statement, but not with respect to Parts I and III of the Official Statement, that as of the date of the Official Statement furnished by the State in relation to the sale of the Bonds and as of the date of delivery of the Bonds, Part II of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Part II of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and subject to the further condition that with regard to the statements and information in Part II 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 deems appropriate with the Department of Law of the State of New York, without further independent investigation.

SECTION 11 – CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Initial Purchasers of the Bonds to comply with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12"), the State will undertake in a written agreement for the benefit of the Holders of the Bonds (the "Disclosure Agreement") to provide continuing disclosure of certain financial and operating data concerning the State (collectively, the "Annual Information"), notices of certain events described in the Disclosure Agreement (the "Notices") in accordance with the requirements of Rule 15c2-12 and the annual financial statements. The Division of the Budget will electronically file with the MSRB, through its EMMA system, the Annual Information on or before 120 days after the end of each State fiscal year, commencing with the fiscal year ending March 31, 2027. The Comptroller is required by existing law to issue audited annual financial statements of the State prepared in accordance with GAAP within 120 days after the close of the State fiscal year, and the Comptroller will undertake to electronically file with the MSRB, through its EMMA system, 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 so filed no later than 120 days after the end of the State's fiscal year and such audited financial statements shall be electronically filed with the MSRB, through its EMMA system, if and when such statements are available. In addition, the Comptroller will also undertake to electronically file with the MSRB, through its EMMA system, any Notice in a timely manner not in excess of ten (10) business days after the occurrence of any of the sixteen events described in the Disclosure Agreement. The proposed form of the Disclosure Agreement is attached hereto as PART I - EXHIBIT C. Copies of the Disclosure Agreement when executed by the parties thereto on the date of the initial delivery of the Bonds will be on file at the Office of the State Comptroller.

The State has not in the previous five years failed to comply, in any material respect, with any such agreements pursuant to Rule 15c2-12.

SECTION 12 – FINANCIAL ADVISOR

Public Resources Advisory Group is acting as financial advisor to the State in connection with the sale and issuance of the Bonds (the "Financial Advisor"). The Financial Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

STATE OF NEW YORK
Thomas P. DiNapoli
State Comptroller

By: ___________________________

PART I - EXHIBIT A

BOND AUTHORIZATIONS

The following is a listing of the purposes for which the voters of the State, at general elections in November, have authorized the issuance of general obligation bonds, as required by Article VII, Section 11 of the State Constitution for which authorization to issue additional debt remains. The listing includes the respective dates of authorization. The Table of Issuance and Bonds Outstanding that follows presents the total amount of general obligation debt authorized, authorized but unissued prior to and after the issuance of the Bonds and outstanding prior to the issuance of the Bonds. The total amount of general obligation debt authorized, authorized but unissued, and outstanding as of March 31, 2026 by purpose is set forth in the table of State General Obligation Debt in Part II of this Official Statement in the section entitled "Exhibit B – State Related Bond Authorizations."

Accelerated Capacity and Transportation Improvements of the Nineties Bonds

The Accelerated Capacity and Transportation Improvements of the Nineties Bond Act (Chapter 261, Section 50, of the Laws of 1988) authorized the creation of a State debt in an aggregate amount not exceeding $3.0 billion to provide moneys to be used for preserving, enhancing, restoring and improving the quality of the State's highway and bridge infrastructure system by the construction, reconstruction, capacity improvement, replacement, reconditioning and preservation of State highways and parkways, and bridges thereon, and municipal bridges not on the State highway system.

Clean Water/Clean Air Bonds

The Clean Water/Clean Air Bond Act of 1996 (Chapter 412 of the Laws of 1996) authorized the creation of a State debt in an aggregate amount not exceeding $1.750 billion for the single purpose of preserving, enhancing, restoring and improving the quality of the State's environment by the accomplishment of projects and the funding of activities by State agencies, public authorities and public benefit corporations, municipalities and other governmental entities and not-for-profit corporations for and related to protecting, improving, and enhancing the quality of drinking water and the enhancement of water bodies; by providing funds to open space, and for parks, historic preservation, and heritage area improvements; by providing funds for solid waste projects; by providing funds for the restoration of contaminated properties, and by providing funds for air quality projects. Such programs and their respective maximum debt authorizations are as follows: (1) for the creation of a State safe drinking water program ($355 million), (2) for preserving, enhancing, restoring and improving the quality of water ($790 million), (3) for solid waste projects ($175 million), (4) for restoring and improving contaminated areas and returning them to productive use ($200 million), and (5) for preserving, enhancing, restoring and maintaining the quality of the air ($230 million).

Clean Water, Clean Air, and Green Jobs Environmental Bonds

The Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022 (Part NN of Chapter 58 of the Laws of 2022) authorized the creation of a State debt in an aggregate amount not exceeding $4.2 billion to provide monies for the single purpose of making environmental improvements that preserve, enhance, and restore New York's natural resources and reduce the impact of climate change by funding capital projects for: (1) restoration and flood risk reduction (not less than $1.1 billion); (2) open space land conservation and recreation (up to $650 million); (3) climate change mitigation (up to $1.5 billion); and (4) water quality improvement and resilient infrastructure (not less than $650 million).

Environmental Quality 1972 Bonds

The Environmental Quality Bond Act (Chapter 658 of the Laws of 1972) authorized the creation of a State debt in an aggregate amount not exceeding $1.150 billion for the purpose of preserving, enhancing, restoring and improving the quality of the State's environment for three basic programs, each of which contains its own maximum debt authorization. Such programs and their respective limitations on the use of proceeds are as follows: (1) for the preservation, enhancement, restoration and improvement of the quality of water ($650 million); (2) for the preservation, enhancement, restoration and improvement of the quality of air ($150 million); and (3) for the preservation, enhancement, restoration and improvement of the quality of land ($350 million).

Environmental Quality 1986 Bonds

The Environmental Quality Bond Act of 1986 (Chapter 511 of the Laws of 1986) authorized the creation of a State debt in an aggregate amount not exceeding $1.450 billion to provide moneys to be used for preservation, enhancement, restoration and improvement of the quality of the State's environment by the remediation of sites containing hazardous wastes; by the closure of municipal landfills; by the acquisition of land or interests in land within the Adirondack and Catskill parks; by the acquisition of environmentally sensitive areas, including areas of aquifer recharge, exceptional scenic beauty, exceptional forest character, open space, pine barrens, public access, trailways, unique character, wetlands and wildlife habitat; and by the improvement, restoration and rehabilitation of State and municipal historic sites, the acquisition, development and improvement of municipal park and recreation facilities and the development of urban cultural parks; and by the acquisition, improvement, restoration and rehabilitation of historic properties owned or to be acquired by not-for-profit corporations. The programs authorized and their respective debt authorizations are as follows: (1) for hazardous waste site remediation and municipal non-hazardous waste landfill closure ($1.2 billion), of which up to $100 million shall be available to municipalities to assist in the closure of municipal landfills; and (2) for acquisition of forest preserve and environmentally sensitive lands, and for the acquisition, development, improvement and restoration of real property for conservation, recreation, and historic preservation purposes ($250 million).

Housing Bonds and Urban Renewal Bonds

Article XVIII, Section 3 of the State Constitution, which took effect January 1, 1939, authorized the creation of a State debt in an aggregate amount not exceeding $300 million for the purpose of making loans to any city, town, village, public corporation or limited profit housing corporation for the construction of low rent housing for persons of low income as defined by law and for the clearance, replanning, reconstruction and rehabilitation of substandard and unsanitary areas, and for recreational and other facilities incidental or appurtenant thereto. Subsequently, in each of the years 1947, 1949, 1954 and 1958, the voters approved the creation of additional housing debt in the amounts of $135 million, $300 million, $200 million and $200 million, respectively. The $300 million of original authorization was not segregated by type of housing project. Subsequent authorizations, however, were designated for low income housing, middle income housing or urban renewal.

Outdoor Recreation Development Bonds

The Outdoor Recreation Development Bond Act (Chapter 558 of the Laws of 1965) authorized the creation of a State debt in an aggregate amount not exceeding $200 million to provide moneys to be used, in such manner and upon such terms and conditions as the Legislature may prescribe, for development and acquisition of lands for outdoor recreation purposes, including parks, forest recreation areas, marine facilities and historic sites.

Park and Recreation Land Acquisition Bonds

The Park and Recreation Land Acquisition Bond Act (Chapter 522 of the Laws of 1960) and the Park and Recreation Land Acquisition Bond Act of 1962 (Chapter 443 of the Laws of 1962) authorized the creation of a State debt in an aggregate amount not exceeding $100 million to provide moneys to be used for the purpose of temporarily financing the acquisition of predominately open or natural lands, for conservation and outdoor recreation development particularly in and near rapidly growing urban and suburban areas to meet future needs of an expanding population, for the acquisition of additional State park lands, and for State grants to cities, counties, towns and villages and to cities, counties, towns and villages on behalf of improvements districts in acquiring similar lands for municipal parks for matching Federal funds which may from time to time be made available by Congress for such purposes.

Pure Waters Bonds

The Pure Waters Bond Act (Chapter 176 of the Laws of 1965) authorized the creation of a State debt in an aggregate amount not exceeding $1.0 billion to provide moneys to be used for the non-local share of the costs of construction, reconstruction and improvement by a political subdivision or a public benefit corporation of the State of facilities for the purpose of treating, neutralizing, or stabilizing sewage, including treatment or disposal plants and for other necessary facilities to ensure pure water for the State. The non-local share to be financed by the State may not exceed 60% of the total cost.

Rebuild New York Through Transportation Infrastructure Renewal Bonds

The Rebuild New York Through Transportation Infrastructure Renewal Bond Act (Chapter 836 of the Laws of 1983) authorized the creation of a State debt in an aggregate amount not exceeding $1.250 billion to provide moneys to be used for the preservation, enhancement, restoration and improvement of the quality of the State's transportation infrastructure system by the construction, reconstruction, improvement, reconditioning and preservation of State highways, bridges and parkways and highways and bridges not on the State highway system, including the improvement and/or elimination of highway-railroad grade crossings on or off State highways and the improvement or construction of commuter rail parking facilities, ports, marine terminals, canals, waterways, rail freight, rail passenger, rail rapid transit, commuter rail, omnibus systems and facilities and airport and aviation capital facilities. Such programs and their respective maximum debt authorizations are as follows: (1) highways, bridges, parkways, grade-crossings and commuter rail parking ($1.005 billion); (2) ports, marine terminals, canals and waterways ($75 million); and (3) rail freight, rail passenger, rapid transit, commuter rail, omnibus and airport and aviation facilities ($170 million). In each of the above categories the Legislature may increase the maximum debt authorization provided that such increase is simultaneously offset by appropriate decreases in one or more categories. Such action has been taken and the maximum amount authorized to be issued for each purpose as of the date of this Official Statement is $1.064 billion, $49.36 million and $136.64 million for the purposes (1), (2), and (3), respectively.

Rebuild and Renew New York Transportation Bonds

The Rebuild and Renew New York Transportation Bond Act of 2005 (Chapter 60 of the Laws of 2005) authorized the creation of a State debt in an aggregate amount not exceeding $2.9 billion to provide monies for the single purpose of improving, enhancing, preserving and restoring the quality of the state's transportation infrastructure. The limitations on the use of proceeds are as follows: (a) $1.45 billion for the planning and design, construction, reconstruction, replacement, improvement, reconditioning, rehabilitation and preservation of State highways, bridges and parkways; highways and bridges off the State highway system if the project is necessary or incidental to the canal system; border crossing enhancements; the improvement and/or elimination of highway-railroad grade crossings; pedestrian and/or bicycle trails, pathways and bridges; the canal system and moveable bridges that cross over the canal system; certain airports or aviation facilities and equipment, ports and marine terminals; omnibus, mass transit and rapid transit facilities and equipment excluding those operated or acquired by or under the jurisdiction of the metropolitan transportation authority and its subsidiaries and the Triborough Bridge and Tunnel Authority; certain urban, commuter and intercity passenger rail, freight rail, and intermodal passenger and freight facilities and equipment and (b) $1.45 billion for the planning and design, construction, reconstruction, replacement, improvement, reconditioning, rehabilitation and preservation in connection with urban and commuter passenger and freight rail, omnibus, mass transit and rapid transit systems, facilities and equipment including acquisition, operated or acquired by or under the jurisdiction of the metropolitan transportation authority and its subsidiaries and the New York City Transit Authority and its subsidiaries.

Smart Schools Bonds

The Smart Schools Bond Act of 2014 (Chapter 56 of the Laws of 2014) authorized the creation of a State debt in an aggregate amount not exceeding $2.0 billion to provide monies for the single purpose of improving learning and opportunity for public and nonpublic school students of the state by funding capital projects to: acquire learning technology equipment or facilities including, but not limited to, interactive whiteboards, computer servers, and desktop, laptop and tablet computers; install high-speed broadband or wireless internet connectivity for schools and communities; construct, enhance, and modernize educational facilities to accommodate pre-kindergarten programs and provide instructional space to replace transportable classroom units; and install high-tech security features in school buildings and on school campuses.

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GENERAL OBLIGATION BONDS
TABLE OF ISSUANCE AND BONDS OUTSTANDING
(in Thousands)

PURPOSE	BONDS AUTHORIZED AS OF 07/31/2026	AUTHORIZED BUT UNISSUED AS OF 07/31/2026[1]	BONDS BEING ISSUED 09/17/2026 (Net Proceeds)[2]	REMAINING AUTHORIZED BUT UNISSUED[1,2]	BONDS OUTSTANDING AS OF 07/31/2026[1, 3]
TRANSPORTATION BONDS:					
Rebuild and Renew New York Transportation Bonds (2005)					
Highway Facilities/Other Transportation (Excl. MTA)	$ 1,450,000	$ 41,508	$ 699	$ 40,809	$ 393,334
Mass Transit-Metropolitan Transportation Authority	1,450,000	114,228	-	114,228	768,138
Accelerated Capacity and Transportation Improvements of the Nineties (1988)	3,000,000	20,231	-	20,231	2,589
Rebuild New York Through Transportation Infrastructure Renewal (1983)					
Highway Related Projects	1,064,000	20,499	-	20,499	-
Ports, Canals and Waterways	49,360	-	-	-	-
Rapid Transit, Rail and Aviation Projects	136,640	-	-	-	-
Energy Conservation Through Improved Transportation (1979)					
Local Streets and Highways	100,000	-	-	-	-
Rapid Transit and Rail Freight	400,000	-	-	-	248
Total Transportation Bonds	**7,650,000**	**196,466**	**699**	**195,767**	**1,164,309**
ENVIRONMENTAL BONDS:					
Clean Water/Clean Air (1996)					
Air Quality	230,000	27,538	2,211	25,327	716
Safe Drinking Water	355,000	-	-	-	-
Clean Water	790,000	43,434	4,926	38,508	161,506
Solid Waste	175,000	-	-	-	3,541
Environmental Restoration	200,000	19,952	200	19,752	20,997
Clean Water, Clean Air, and Green Jobs Environmental Bonds (2022) [4]					
Restoration and Flood Risk Reduction	See Note 4	See Note 4	9,089	See Note 4	-
Open Space Land Conservation and Recreation	See Note 4	See Note 4	50,711	See Note 4	3,281
Climate Change Mitigation	See Note 4	See Note 4	44,995	See Note 4	349
Water Quality Improvement and Resilient Infrastructure	See Note 4	See Note 4	36,768	See Note 4	391
NY Natural Resources	See Note 4	See Note 4	-	See Note 4	-
Subtotal Clean Water, Clean Air, and Green Jobs Environmental Bonds	4,200,000	4,195,440	141,563	4,053,877	4,021
Environmental Quality (1986)					
Land and Forests	250,000	908	-	908	900
Solid Waste Management	1,200,000	26,291	17,252	9,039	24,881
Environmental Quality (1972)					
Air	150,000	11,639	557	11,082	630
Land and Wetlands	350,000	2,866	-	2,866	1,026
Water	650,000	640	-	640	3,589
Outdoor Recreation Development (1966)	200,000	230	-	230	-
Pure Waters (1965)	1,000,000	14,554	-	14,554	13,745
Park and Recreation Land Acquisition (1960 and 1962)	100,000	772	-	772	-
Total Environmental Bonds	**9,850,000**	**4,344,264**	**166,709**	**4,177,555**	**235,552**
EDUCATION BONDS:					
Smart Schools Bond Act (2014)	**2,000,000**	**1,009,006**	**170,531**	**838,475**	**648,074**
HOUSING BONDS:					
Low-Income Housing (through 1958)	960,000	7,928	-	7,928	-
Middle-Income Housing (through 1958)	150,000	500	-	500	-
Urban Renewal (1958)	25,000	1,575	-	1,575	-
Total Housing Bonds	**1,135,000**	**10,003**	**-**	**10,003**	**-**
TOTAL GENERAL OBLIGATION DEBT	**$20,635,000**	**$5,559,739**	**$337,939**	**$5,221,800**	**$2,047,935**

1. Reflects unaudited amounts.
2. Reflects issuance of the Bonds and is preliminary, subject to change.
3. Prior to issuance of the Bonds.
4. 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).

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PART I - EXHIBIT B

FORM OF ATTORNEY GENERAL'S OPINION

__________, 2026

Honorable Thomas P. DiNapoli
State Comptroller
110 State Street
Albany, New York 12236

Dear Sir:

The Comptroller has requested my opinion regarding the validity of General Obligation Bonds of the State of New York, $_____ Series 2026A Tax-Exempt Bonds (Sustainability Bonds) (the "Series 2026A Tax-Exempt Bonds") and $_____ Series 2026B Taxable Bonds (Sustainability Bonds) (the "Series 2026B Taxable Bonds" and, together with the Series 2026A Tax-Exempt Bonds, the "Bonds") which were sold on __________, 2026.

The Comptroller advises that the Series 2026A Tax-Exempt Bonds are being issued for the purposes and in the principal amounts as set forth below:

Purpose	**Amount**
Clean Water/Clean Air	
Clean Water..	$
Environmental Restoration................................	
Air Quality..	
Clean Water, Clean Air, and Green Jobs	
Restoration and Flood Risk Reduction	
Open Space Land Conservation and Recreation..	
Climate Change Mitigation	
Water Quality Improvement and Resilient Infrastructure	
Environmental Quality 1972	
Air..	
Environmental Quality 1986	
Solid Waste	
Rebuild and Renew New York Transportation	
Aviation	
Rails and Ports...	
Smart Schools	
	$

The Comptroller further advises that the Series 2026B Taxable Bonds are being issued for the purposes and in the principal amounts as set forth below:

Purpose	**Amount**
Clean Water/Clean Air	
Clean Water	$
Air Quality	
Clean Water, Clean Air, and Green Jobs	
Restoration and Flood Risk Reduction	
Open Space Land Conservation and Recreation	
Climate Change Mitigation	
Water Quality Improvement and Resilient Infrastructure	
Environmental Quality 1986	
Solid Waste	
Rebuild and Renew New York Transportation	
Aviation	
Rails and Ports	
Smart Schools	
	$

The Comptroller further advises the following with respect to the Bonds. The Bonds will be dated the date of delivery and will mature or be subject to mandatory redemption on the dates in each of the years set forth in the respective tables in the Official Statement with respect to the Bonds (the "Official Statement"). The 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 bond certificate will be issued for each Series and maturity of the Bonds, totaling the aggregate principal amount of the Bonds of each Series, and will be deposited with DTC. Beneficial ownership interests in each Series and maturity of the Bonds will be available in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Bonds will not receive certificates representing their interests in the Bonds purchased. Interest on the Bonds will be payable beginning on March 15, 2027, and semi-annually thereafter on each September 15 and March 15 until maturity.

The Bonds will be issued pursuant to the authority contained in Article VII, Sections 11 and 12 of the State Constitution, Sections 56, 57 and 61 of the State Finance Law and appropriation acts enacted by the State Legislature.

The transcript of the proceedings and the forms of the Bonds enclosed with the Comptroller's request have been examined by members of my staff. You are advised that after consideration of the provisions of the State Constitution, the pertinent sections of the State Finance Law and the statutes above referred to, it is my opinion, based upon such inquiry as members of my staff have deemed appropriate, that the Bonds are legally issued in accordance with such Constitution and laws and that the Bonds constitute valid and legally binding general obligations of the State of New York to which its full faith and credit are pledged.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements that must be met after the Series 2026A Tax-Exempt Bonds have been validly issued and delivered in order that interest on the Series 2026A Tax-Exempt Bonds be and remain excludable from gross income pursuant to Section 103 of the Code. Such requirements may include the rebating of certain amounts earned from the investment of the proceeds of the Series 2026A Tax-Exempt Bonds. Rebates of any such amounts are subject to future appropriations by the State Legislature. You have provided me with an Arbitrage and Use of Proceeds Certificate prepared and executed by you, dated the date hereof with respect to the Series 2026A Tax-Exempt Bonds (the "Certificate"), which contains provisions and procedures regarding compliance with the requirements of the Code. In executing the Certificate, you have certified to the effect that you expect to be able to and will comply with the provisions and procedures set forth therein, including any attachments thereto, and that to the extent authorized by law you will do and perform all acts and things necessary or desirable to assure that interest paid on the Series 2026A Tax-Exempt Bonds is excludable from gross income under Section 103 of the Code. You have also provided me with executed certificates of other governmental officers and entities relating to the use of the proceeds of the Series 2026A Tax-Exempt Bonds (the "Agency Certificates"). No matters have come to my personal attention which would lead me to believe that the Certificate and the Agency Certificates are incorrect or unreasonable.

Based on the contents of the Certificate and the Agency Certificates and assuming compliance therewith and with subsequent rebating and other requirements, it is my opinion, based upon such inquiry as members of my staff have deemed appropriate, that, under the Code and other existing statutes, regulations, administrative rulings, and court decisions, interest on the Series 2026A Tax-Exempt Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes pursuant to Section 103 of the Code and is not a specific preference item for purposes of the Federal alternative minimum tax imposed on individuals; however, interest on the Series 2026A Tax-Exempt Bonds held by certain corporations that are subject to the federal corporate alternative minimum is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. Based on the contents of such Certificate and the Agency Certificates, and assuming compliance therewith and with subsequent rebating and other requirements, it is my further opinion that interest on the Series 2026A Tax-Exempt Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York and the City of Yonkers.

Except as stated in the preceding paragraph, I express no opinion as to any Federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. This opinion is based on existing law as of the date hereof and I assume no obligation to update this opinion after the date hereof to reflect any future action, fact or circumstance, or change in law. Furthermore, I express no opinion as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than myself on the exclusion from gross income for Federal income tax purposes of interest on the Series 2026A Tax-Exempt Bonds, or under state and local law.

Ownership of the Series 2026A Tax-Exempt Bonds may have other collateral tax consequences, not discussed herein, concerning which no opinion is expressed.

I further advise you that this letter contains my only opinion as to the validity and binding effect of the Bonds.

Very truly yours,

LETITIA JAMES
Attorney General

By: ____________________________

STATE OF NEW YORK
GENERAL OBLIGATION BONDS
SERIES 2026A TAX-EXEMPT BONDS (SUSTAINABILITY BONDS)
SERIES 2026B TAXABLE BONDS (SUSTAINABILITY BONDS)

Dated __________, 2026

AGREEMENT TO PROVIDE CONTINUING DISCLOSURE
UNDER SEC RULE 15c2-12

THIS AGREEMENT is made by the State acting by and through the Comptroller and the Director (all as defined below in Section 1).

In order to permit the initial purchasers of the Bonds to comply with the provisions of Rule 15c2-12(b)(5) in connection with the public offering of the Bonds, the State, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agrees, for the sole and exclusive benefit of the Holders, as follows:

Section 1. **Definitions**

Capitalized terms used but not defined herein as follows shall have the meaning ascribed to them in any other document executed in connection with the issuance of the Bonds.

"Annual Information" shall mean the information specified in Section 3 hereof.

"Bonds" shall mean, collectively, $_____ General Obligation Bonds, Series 2026A Tax-Exempt Bonds (Sustainability Bonds) and $_____ General Obligation Bonds, Series 2026B Taxable Bonds (Sustainability Bonds), dated __________, 2026.

"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.

"DTC" shall mean The Depository Trust Company.

"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.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"GAAS" shall mean generally accepted auditing standards as in effect from time to time in the United States.

"Holder" shall mean any registered owner of Bonds and, if the Bonds are registered in the name of Cede & Co. through DTC, any beneficial owner of Bonds, unless the staff of the Securities and Exchange

Commission determines that the Rule does not require the Agreement to be for the benefit of such beneficial owners.

"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.

"Official Statement" shall mean the official statement dated __________, 2026, issued in connection with the sale of the Bonds.

"Rule 15c2-12" shall mean Rule 15c2-12 promulgated 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 date of this Agreement.

"State" shall mean the State of New York, an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12, acting by and through the Director or the Comptroller, as the case may be.

Section 2. **Obligations to Provide Continuing Disclosure**

(a) Annual Information. 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, 2027, the Annual Information relating to such fiscal year.

(b) Audited Financials. 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, 2027, 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 no later than 120 days after the end of the State's fiscal year and such audited financial statements shall be electronically filed with the MSRB if and when they become available.

(c) Notice to Comptroller. The Director shall notify the Comptroller of the occurrence of any of the sixteen events listed in Section 2(d)(1) through (16) hereof promptly upon becoming aware of the occurrence of any such event, including, without limitation, any change in the State's credit rating by any rating agency.

(d) Notification to the MSRB. 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, in a timely manner not in excess of ten (10) business days after the occurrence of any of the sixteen events listed below, notice of the occurrence of any such event with respect to the Bonds:

(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) a 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) defeasance;

(10) release, substitution, or sale of property securing repayment of the securities, if material;

(11) a rating change;

(12) bankruptcy, insolvency, receivership or similar event of any obligated person;

(13) consummation of a merger, consolidation, acquisition involving an obligated person or sale of all or substantially all of the assets of any 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 such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of trustee, if material;

(15) incurrence of a financial obligation, as defined in Rule 15c2-12, of any obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of any 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 any obligated person, any of which reflect financial difficulties.

The State, acting by and through the Comptroller, also hereby agrees to electronically file with the MSRB, in a timely manner, notice of a failure by the State to comply with Section 2(a) or (b) hereof.

(e) Interpretation and Modification of Disclosure Obligation. The requirements contained in this Agreement under Section 3(a) 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(a) 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.

(f) Other Information. Nothing herein shall be deemed to prevent 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 State should disseminate any such additional information, the State shall have no obligation hereunder to update such information or include it in any future materials disseminated hereunder.

(g) 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**

(a) Specified Information. The Annual Information shall consist of the following:

(i) financial and operating data of the type included in the Annual Information Statement of the State, which is included as Part II of 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

(ii) such *narrative explanation* as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the State and in judging the financial information about the State.

(b) 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 financial statements of the State may be provided in the same manner.

Section 4. **Financial Statements**

The annual financial statements of the State for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time (unless applicable accounting principles are otherwise disclosed) and audited by an independent auditing firm in accordance with GAAS (but only if audited financial statements are otherwise available for such fiscal year).

Section 5. **Remedies**

If the State should fail to comply with any provision of this Agreement, then, 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 the State and any of its officers, agents and employees, and may compel the State or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided, that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of the State 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 shall be subject to the same limitations and conditions applicable to enforcement of remedies of Holders with respect to any event of default. Failure by the State to perform its obligations hereunder shall not constitute an event of default under any agreement executed and delivered in connection with the issuance of the Bonds or under any statute or common law principle. 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. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. **Amendments**

(a) Without the consent of any Holders of Bonds, the State, at any time and from time to time, may enter into amendments or changes to this Agreement for any purpose, if:

(i) 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, or nature, or status of the State or any type of business or affairs conducted by it;

(ii) 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 changes in circumstances; and

(iii) the amendment does not materially impair the interests of the Holders, as determined by the Attorney General of the State of New York, as Bond Counsel with respect to issuance of the Bonds or by nationally recognized bond counsel. (In determining whether there is such a material impairment, the State may rely upon an opinion of the Attorney General of the State of New York or nationally recognized bond counsel.)

(b) 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 in 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 discussion 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 the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased; 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 any 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, the State shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. **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; provided, however, that to the extent this Agreement addresses matters of Federal securities laws, including Rule 15c2-12, this Agreement shall be governed by such Federal securities laws and official interpretations thereof.

Section 10. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

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IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement as of the date first above written.

THE STATE OF NEW YORK
Obligated Person

THOMAS P. DINAPOLI
State Comptroller

By: ______________________________
Name:
Title:

BLAKE G. WASHINGTON
Director of the Budget

By: ______________________________
Name:
Title:

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PART I - EXHIBIT D

NOTICE OF SALE FOR SERIES 2026A TAX-EXEMPT BONDS

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NOTICE OF SALE

STATE OF NEW YORK GENERAL OBLIGATION BONDS

$264,150,000*
SERIES 2026A TAX-EXEMPT BONDS (SUSTAINABILITY BONDS)

ELECTRONIC BIDS via S&P Global's BiDCOMP™/PARITY® Competitive Bidding System ("BiDCOMP") will be received by the Comptroller of the State of New York at his office located at 110 State Street, 15th Floor, Albany, NY 12236 until **10:45 A.M.** (New York Time), on:

September 17, 2026

At such time and location the electronic bids received will be made publicly available, for the purchase of Series 2026A Tax-Exempt General Obligation Bonds (Sustainability Bonds) of the State of New York (the "State") in the principal amount of $264,150,000* to be dated the date of delivery (the "Series 2026A Tax-Exempt Bonds"). Interest on the Series 2026A Tax-Exempt Bonds will be payable semi-annually on each March 15 and September 15, commencing March 15, 2027. The Series 2026A Tax-Exempt Bonds are being issued for the purposes and in the principal amounts as set forth below:

Purpose	Amount*
Clean Water/Clean Air	
Clean Water	$ 4,377,179.93
Environmental Restoration	55,147.68
Air Quality	719,314.62
Clean Water, Clean Air, and Green Jobs	
Restoration and Flood Risk Reduction	8,412,641.09
Open Space Land Conservation and Recreation	46,029,666.03
Climate Change Mitigation	41,577,732.25
Water Quality Improvement and Resilient Infrastructure	33,867,687.82
Environmental Quality 1972	
Air	515,652.11
Rebuild and Renew New York Transportation	
Aviation	487,284.87
Rails and Ports	130,377.09
Smart Schools	127,977,316.51
	$264,150,000.00

* Preliminary, subject to amendment as set forth herein.

PRINCIPAL AMORTIZATION*

Principal with respect to Series 2026A Tax-Exempt Bonds will mature and sinking fund installments with respect to Series 2026A Tax-Exempt Bonds to be issued as term bonds, if any, will be paid on September 15, in the following years and amounts:

Maturing September 15*	Preliminary Annual Principal Amount*	Maturing September 15*	Preliminary Annual Principal Amount*
2032	$ 7,045,000	2040	$16,745,000
2033	$11,800,000	2041	$17,605,000
2034	$12,405,000	2042	$18,510,000
2035	$13,040,000	2043	$19,460,000
2036	$13,710,000	2044	$20,455,000
2037	$14,415,000	2045	$21,505,000
2038	$15,155,000	2046	$22,605,000
2039	$15,930,000	2047	$23,765,000

RIGHT TO AMEND

The State reserves the right to amend this Notice of Sale, including, but not limited to, the right to change the date of the bond sale, the aggregate principal amount of the Series 2026A Tax-Exempt Bonds and/or the annual principal amounts thereof being offered. ANY POSTPONEMENT OF THE DATE AND TIME ESTABLISHED FOR THE RECEIPT OF BIDS WILL BE ANNOUNCED BY MEANS OF A SUPPLEMENT TO THIS NOTICE OF SALE TO BE POSTED ON MUNIOS (www.munios.com) **NOT LATER THAN 9:45 A.M. (NEW YORK TIME)** ON THE DAY OF THE SALE.

The preliminary aggregate principal amount of the Series 2026A Tax-Exempt Bonds and the preliminary annual principal amounts as set forth above in this Notice of Sale (the "Preliminary Amounts") may be revised before the opening of bids for the purchase of the Series 2026A Tax-Exempt Bonds. Any such revisions (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amounts," respectively; collectively, the "Revised Amounts") WILL BE ANNOUNCED BY MEANS OF A SUPPLEMENT TO THIS NOTICE OF SALE TO BE POSTED ON MUNIOS (www.munios.com) **NOT LATER THAN 9:45 A.M. (NEW YORK TIME)** ON THE DAY OF THE SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

After selecting the winning bid, the Comptroller will determine the final aggregate principal amount of the Series 2026A Tax-Exempt Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the Comptroller will not reduce or increase the Revised Aggregate Principal Amount by more than 15 percent of such amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Series 2026A Tax-Exempt Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of Series 2026A Tax-Exempt Bonds from the selling compensation that would have been received based on the purchase price of the winning

* Preliminary, subject to amendment as set forth herein.

bid and the initial public offering prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Price for such maturity will not change. The Final Amounts and the adjusted purchase price will be communicated to the successful bidder as soon as possible, but no later than 4:00 p.m. (New York Time) on the day of the sale.

MINORITY / WOMEN / SERVICE-DISABLED VETERAN-OWNED BUSINESS ENTERPRISES

It is the policy of the Office of the State Comptroller that consideration be given to firms which are minority-owned business enterprises, women-owned business enterprises, and service-disabled veteran-owned business enterprises. The Office of the State Comptroller requests and strongly urges bidders to include such firms in their management group or syndicate and to allocate bonds accordingly. The Office of the State Comptroller may request a report of the winning bidder showing the portion of the issue that was allocated to such firms.

THE SERIES 2026A TAX-EXEMPT BONDS

The Series 2026A Tax-Exempt Bonds will be issued pursuant to Article VII, Sections 11 and 12 of the Constitution of the State and Sections 56, 57 and 61 of the State Finance Law.

The Series 2026A Tax-Exempt Bonds will be general obligations of the State, and the full faith and credit of the State will be pledged to the payment of the principal of and interest on the Series 2026A Tax-Exempt Bonds as they become due. The State Constitution provides that the Legislature shall annually provide by appropriation for the payment of the interest upon and installments of principal of all bonds of the State as the same shall fall due including contributions to all sinking funds for such bonds. It further provides that if at any time the Legislature fails to make this appropriation the Comptroller shall set apart from the first revenues thereafter received, applicable to the General Fund of the State, a sum sufficient to pay such interest, installments of principal, or contributions to such sinking funds, as the case may be, and shall apply moneys thus set apart. The Comptroller may be required to set aside and apply such revenues at the suit of any holder of such bonds.

The Series 2026A Tax-Exempt Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") which will act as securities depository for the Series 2026A Tax-Exempt Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2026A Tax-Exempt Bonds purchased. Beneficial ownership interests in the Series 2026A Tax-Exempt Bonds in the amount of $5,000 or any integral multiple thereof may be purchased by or through DTC Participants. Interest will be payable semi-annually beginning on March 15, 2027, and on each September 15 and March 15 thereafter until maturity.

OPTIONAL REDEMPTION PRIOR TO MATURITY*

The Comptroller reserves to the State the right to redeem, on and after September 15, 2036, the Series 2026A Tax-Exempt Bonds maturing on and after September 15, 2037 and then outstanding, in whole or in part, at any time, priority among maturities to be directed by the State, and by lot, to be chosen by DTC or any successor and its Participants, within a maturity at par plus accrued interest to the date fixed for redemption.

The Comptroller reserves to the State the right to redeem the Series 2026A Tax-Exempt Bonds maturing on or before September 15, 2036 prior to their stated maturity dates at the written direction of the State, in

* Preliminary, subject to amendment as set forth herein.

whole or in part, on any date (the "Tax-Exempt Make-Whole Call Date"), at a make-whole price (the "Tax-Exempt Make Whole Redemption Price") equal to the greater of:

(1) one hundred percent (100%) of the Amortized Value (as defined in the Preliminary Official Statement) of the Series 2026A Tax-Exempt Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2026A Tax-Exempt Bonds to be redeemed (taking into account any mandatory sinking fund redemptions) from and including the Tax-Exempt Make-Whole Call Date to the maturity date of such Series 2026A Tax-Exempt Bonds, not including any portion of those payments of interest accrued and unpaid as of the Tax-Exempt Make-Whole Call Date, discounted to the Tax-Exempt Make-Whole Call Date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at a discount rate equal to the greater of (a) the Applicable Tax-Exempt Bond Rate (as defined in the Preliminary Official Statement) minus 20 basis points; or (b) zero basis points; plus accrued and unpaid interest on such Series 2026A Tax-Exempt Bonds to the Tax-Exempt Make-Whole Call Date.

The State will give notice of any such redemption, to the registered owners of the Series 2026A Tax-Exempt Bonds to be redeemed at their addresses as they appear in the registration books of the State or its fiscal agent, not less than twenty nor more than sixty days prior to the redemption. So long as all of the Series 2026A Tax-Exempt Bonds remain immobilized in the custody of DTC, any such notice of redemption of any Series 2026A Tax-Exempt Bond will be delivered only to DTC. DTC is responsible for notifying DTC Participants of such redemption and DTC Participants and Indirect Participants are responsible for notifying Beneficial Owners of such redemption. The State is not responsible for sending notices to Beneficial Owners. Interest will cease to accrue on the Series 2026A Tax-Exempt Bonds called for redemption from and after the date fixed for redemption thereof.

The State may provide conditional notice of redemption, which may state that such redemption is conditioned upon the receipt of moneys or any other event. If such conditions are not met, such redemption shall not occur and the State is to give notice, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given as described above. Additionally, any such conditional redemption notice may be rescinded no later than one Business Day prior to the date specified for redemption by written notice by the State given, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given.

BOND INSURANCE

The State has not contracted for the issuance of any policy of municipal bond insurance for the Series 2026A Tax-Exempt Bonds. If the Series 2026A Tax-Exempt Bonds qualify for any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the successful bidder, and any increased costs of issuance or delivery of the Series 2026A Tax-Exempt Bonds resulting by reason of such insurance or commitment shall be assumed by such bidder. Bids shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Series 2026A Tax-Exempt Bonds to be so insured or of any such policy or commitment to be issued, or any rating downgrade or other material event occurring relating to the issuer of any such policy or commitment, shall not in any way relieve the successful bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Series 2026A Tax-Exempt Bonds.

PROPOSALS

Each bid must be for all and not part of the entire $264,150,000* of Series 2026A Tax-Exempt Bonds. All Series 2026A Tax-Exempt Bonds shall have an interest rate of five percent (5%). All bids must be for no less than 100 percent of the par value of the Revised Aggregate Principal Amount of the Series 2026A Tax-Exempt Bonds. Bids must be submitted via BiDCOMP.

BASIS OF AWARD

The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Series 2026A Tax-Exempt Bonds at the lowest true interest cost to the State, calculated by the State, based on the Revised Amounts described above. True interest cost shall be determined for each bid by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments (interest, or principal and interest, as due, including any mandatory redemptions) from the payment dates to the dated date, which is the delivery date, expected to be on or about September 30, 2026, and to the price bid. If more than one bid offers the same lowest true interest cost, the Series 2026A Tax-Exempt Bonds shall be awarded to one of such bidders based upon which bid was received first. Each bidder shall include in its bid a statement of true interest cost offered in its bid, but this statement shall not be deemed to be part of the bid.

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Prospective bidders must be contracted customers of BiDCOMP. If you do not have a contract with BiDCOMP, call (212) 849-5021 to become a customer. By submitting a bid for the Series 2026A Tax-Exempt Bonds, a prospective bidder represents and warrants to the State that such bidder's bid for the purchase of the Series 2026A Tax-Exempt Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Series 2026A Tax-Exempt Bonds. By contracting with BiDCOMP, a prospective bidder is not obligated to submit a bid in connection with the sale.

If any provisions of this Notice of Sale conflict with information provided by BiDCOMP as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about BiDCOMP, including any fee charged, may be obtained from BiDCOMP, 55 Water Street, New York, NY 10041, Attention: Francesco Nuccio, (212) 849-5021. Additional information concerning bidding through the BiDCOMP system may be obtained by calling (212) 849-5021.

Bids must be submitted for the purchase of the Series 2026A Tax-Exempt Bonds by means of the State's Bid Form (the "Bid Form") via PARITY® electronically by **10:45 A.M.**, New York Time, on **September 17, 2026** unless postponed as described herein. Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP. Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to PARITY. Once the bids are communicated electronically via PARITY to the State and the sale time has passed (**10:45 A.M.**, New York Time), each bid will constitute an irrevocable offer to purchase the Series 2026A Tax-Exempt Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the State represented by the rate of interest and the bid price specified in their

* Preliminary, subject to amendment as set forth herein.

respective bids. No bid will be received after the time for receiving such bids specified above. Instructions to submit a bid via BiDCOMP are included in the Preliminary Official Statement (as defined below).

By submitting a bid for the Series 2026A Tax-Exempt Bonds, a bidder represents and warrants to the State that it has an established industry reputation for underwriting new issuances of municipal bonds.

DISCLAIMER

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP for purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the State nor BiDCOMP shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the State nor BiDCOMP shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The State is using PARITY as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Series 2026A Tax-Exempt Bonds. The State is not bound by any advice and determination of BiDCOMP to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the specifications under "Proposals" set forth above. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Series 2026A Tax-Exempt Bonds, it should telephone BiDCOMP and also notify the Office of the State Comptroller's Office of Budget Policy and Analysis by email at debtmanagement@osc.ny.gov.

GOOD FAITH DEPOSIT

Good Faith Deposit

A good faith deposit in the amount of $2,600,000.00 (the "Deposit") is required in connection with the sale and bid for the Series 2026A Tax-Exempt Bonds. The Deposit will be provided for by a Federal funds wire transfer to be submitted to the Office of the State Comptroller by the successful bidder not later than 3:00 p.m. (New York Time) on the date of sale (the "Wire Transfer Deadline") as set forth below under "Wire Transfers." The Deposit of the successful bidder will be collected and the proceeds thereof retained by the Office of the State Comptroller to be applied in partial payment for the Series 2026A Tax-Exempt Bonds and no interest will be allowed or paid upon the amount thereof.

Wire Transfers

The Office of the State Comptroller will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Series 2026A Tax-Exempt Bonds to the successful bidder may be cancelled by the Office of the State Comptroller in its discretion without any financial liability of the Office of the State Comptroller to the successful bidder or any limitation whatsoever on the Office of the State Comptroller's right to sell the Series 2026A Tax-Exempt Bonds to a different purchaser upon such terms and conditions as the Office of the State Comptroller shall deem appropriate.

RIGHT OF REJECTION

The Comptroller reserves the right to reject any or all bids.

SERIAL BONDS, TERM BONDS AND MANDATORY REDEMPTION

The successful bidder may provide in the bid form for all of the Series 2026A Tax-Exempt Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Series 2026A Tax-Exempt Bonds of the same interest rate to be combined into one or more term bonds. Each such term bond shall be subject to mandatory redemption on September 15 of the first year which has been combined to form such term bond and on September 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the appropriate amortization schedule, as adjusted in accordance with the provisions described above under the caption "Right to Amend." Series 2026A Tax-Exempt Bonds to be redeemed in any year by mandatory redemption shall be redeemed at par and shall be selected by lot from among the Series 2026A Tax-Exempt Bonds of the same maturity.

COMPLIANCE WITH LAWS

By submitting a bid, the initial purchaser agrees to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Series 2026A Tax-Exempt Bonds or possesses or distributes the Official Statement or any other offering or publicity material relating to the Series 2026A Tax-Exempt Bonds and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Series 2026A Tax-Exempt Bonds under the laws and regulations in force in any country or jurisdiction to which it is subject or in which it makes such purchases, offers or sales and the State shall have no responsibility therefor.

REOFFERING AND SALE OF THE SERIES 2026A TAX-EXEMPT BONDS TO PUBLIC

The State expects and intends that the bid for the Series 2026A Tax-Exempt Bonds will satisfy the competitive sale requirements under provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2026A Tax-Exempt Bonds), including, among other things, receipt of bids for the Series 2026A Tax-Exempt Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The State will advise the successful bidder of the Series 2026A Tax-Exempt Bonds as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid"). If an initial sale of the Series 2026A Tax-Exempt Bonds is a Qualified Competitive Bid, the winning bidder will be required to provide a certificate in the form attached as Exhibit A, which requires a certification as to the reasonably expected reoffering price to the public, among other things. If an initial sale of the Series 2026A Tax-Exempt Bonds is a Nonqualified Competitive Bid, the winning bidder will be required to provide a certificate in the form attached as Exhibit B, which requires a certification as to either (i) the first price at which 10% of each maturity of the purchased bonds was sold to the public as of the sale date, or (ii) the reasonably expected initial offering price to the public and a certification that the purchaser and any underwriters did not offer or sell any of the purchased bonds of each maturity to any person at a price that is higher than the initial offering price of such maturity for up to five business days from the sale date, as further described in the certificate. It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder of the Series 2026A Tax-Exempt Bonds to hold the initial offering prices for certain maturities of the Series 2026A Tax-Exempt Bonds for up to five business days after the sale date, as further specified in the form of such certification. By accepting the award of the Series 2026A Tax-Exempt Bonds, the initial purchaser of such Series 2026A Tax-Exempt Bonds agrees to execute the Certificate as to Issue Price attached hereto as Exhibit A for Qualified

Competitive Bids and Exhibit B for Nonqualified Competitive Bids not later than 4:00 P.M. (New York time) on the business day prior to the closing of the Series 2026A Tax-Exempt Bonds.

The initial purchaser will also be required to provide to the State such additional information as may be requested by the State. For this purpose, sale of the Series 2026A Tax-Exempt Bonds to other underwriters or related parties will not be considered sales to the Public (as defined in the Certificate as to Issue Price). If the Certificate as to Issue Price is sent by electronic transmission, a hard copy must also be sent by mail or courier service.

FAILURE TO DEMONSTRATE COMPLIANCE WITH THIS REQUIREMENT WITH RESPECT TO THE SERIES 2026A TAX-EXEMPT BONDS WILL CONSTITUTE A DEFAULT BY THE INITIAL PURCHASER, ENTITLING THE STATE TO RETAIN SUCH INITIAL PURCHASER'S DEPOSIT EVEN THOUGH IN SUCH EVENT THE STATE WILL NOT DELIVER THE SERIES 2026A TAX-EXEMPT BONDS TO SUCH INITIAL PURCHASER.

THE STATE, ITS FINANCIAL ADVISOR AND BOND COUNSEL WILL RELY ON THE CONTENTS OF THE CERTIFICATE AS TO ISSUE PRICE AND SUPPORTING DOCUMENTS PROVIDED BY THE PURCHASER IN DETERMINING THE ARBITRAGE YIELD ON THE SERIES 2026A TAX-EXEMPT BONDS.

OFFICIAL STATEMENT

The Preliminary Official Statement, dated September 10, 2026 (the "Preliminary Official Statement"), issued by the State in connection with the sale of its Series 2026A Tax-Exempt Bonds and its Series 2026B Taxable General Obligation Bonds, has been deemed final by the State as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), except for certain permitted omissions described in paragraph (b) (1) of Rule 15c2-12, but is subject to change without notice and to completion or amendment or supplementation in the Official Statement.

The State is distributing copies of the Preliminary Official Statement to potential bidders electronically through MuniOS. Potential bidders may also obtain an electronic copy of the Preliminary Official Statement by logging onto the website for MuniOS at "www. munios.com."

After the sale of the Series 2026A Tax-Exempt Bonds, the State will provide the successful bidder with an electronic copy of the Official Statement within seven (7) business days of the award of the Series 2026A Tax-Exempt Bonds. The successful bidder is responsible for distributing the Official Statement to its syndicate members. The successful bidder will be required to promptly provide pricing information on the date the bid is awarded necessary for the State to complete the Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with Rule 15c2-12(b)(5), the State will undertake, pursuant to an agreement (the "Continuing Disclosure Agreement"), to provide annual reports and notices of certain events. A description of and a copy of the proposed form of the Continuing Disclosure Agreement are set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The successful bidder agrees to electronically file the Official Statement with the MSRB by the closing date.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP identification numbers will be printed on the Series 2026A Tax-Exempt Bonds, but neither the failure to print such number on any Series 2026A Tax-Exempt Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2026A Tax-Exempt Bonds. Public Resources Advisory Group (the "Financial Advisor") will timely apply for CUSIP numbers with respect to the Series 2026A Tax-Exempt Bonds as required by MSRB Rule G-34. The initial Purchaser shall be responsible for the cost of assignment of such CUSIP numbers.

CLOSING DOCUMENTS

As a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 2026A Tax-Exempt Bonds, the successful bidder will be furnished the following documents: (i) a copy of the Official Statement relating to the Series 2026A Tax-Exempt Bonds, dated as of the date of the award of the Series 2026A Tax-Exempt Bonds, and similar in form and substance in all material respects to the Preliminary Official Statement, as amended or supplemented to the date and time of the award of the Series 2026A Tax-Exempt Bonds (the "Official Statement"); (ii) a certificate signed by the Comptroller of the State of New York and dated as of the date of the delivery of and payment for the Series 2026A Tax-Exempt Bonds, certifying with respect to Parts I and III of the Official Statement, but not with respect to Part II of the Official Statement, that, as of the date of the Official Statement, Parts I and III of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Parts I and III of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading; (iii) a certificate signed by the Director of the Budget of the State of New York and dated as of the date of the delivery of and payment for the Series 2026A Tax-Exempt Bonds, certifying with respect to Part II of the Official Statement, but not with respect to Parts I and III of the Official Statement, that, as of the date of the Official Statement furnished by the State in relation to the sale of the Series 2026A Tax-Exempt Bonds, and as of the date of such certificate, Part II of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Part II of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and subject to the further condition that with regard to the statements and information in Part II 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 deems appropriate with the Department of Law of the State of New York, without further independent investigation; (iv) a certificate of the Comptroller, dated as of the date of delivery of and payment for the Series 2026A Tax-Exempt Bonds, certifying that the facsimile signature impressed upon the Series 2026A Tax-Exempt Bonds is his lawful signature, and constituting a receipt for the payment for the Series 2026A Tax-Exempt Bonds; (v) the Continuing Disclosure Agreement; and (vi) the approving opinion of the Attorney General of the State of New York as to the legality of the Series 2026A Tax-Exempt Bonds and the extent to which interest on the Series 2026A Tax-Exempt Bonds is exempt from Federal and State income taxes.

DELIVERY AND PAYMENT

The Series 2026A Tax-Exempt Bonds will be available for delivery through the facilities of DTC on or about September 30, 2026. The successful bidder will be required to make payment to the State Comptroller for the Series 2026A Tax-Exempt Bonds, upon delivery of the Series 2026A Tax-Exempt Bonds, by Federal Wire.

OTHER INFORMATION

Electronic copies of the Preliminary Official Statement, including the Notice of Sale are available on the Internet at www.munios.com.

Thomas P. DiNapoli, State Comptroller, Albany, New York

Dated: September 10, 2026

EXHIBIT A

STATE OF NEW YORK
GENERAL OBLIGATION BONDS

$________________
SERIES 2026A TAX-EXEMPT BONDS (SUSTAINABILITY BONDS)

FORM OF CERTIFICATE AS TO ISSUE PRICE
FOR QUALIFIED COMPETITIVE BID

September __, 2026

[NAME OF PURCHASER], as the winning bidder (the "Purchaser"), on behalf of itself and other Underwriters as defined below, in connection with the sale by the State of New York (the "State") of its $_______________ aggregate principal amount of Series 2026A Tax-Exempt General Obligation Bonds (Sustainability Bonds) (the "Bonds"), pursuant to the Notice of Sale dated September 10, 2026, hereby certifies that it reasonably expected on the date the sale of the Bonds was awarded to it to reoffer the Bonds to the Public at the prices and/or yields set forth in ATTACHMENT I hereto (the "Initial Offering Prices"). The Initial Offering Prices are the prices used by the Purchaser in formulating its bid to purchase the Bonds. The Purchaser was not given the opportunity to review other bids submitted prior to submitting its bid. The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds. Attached hereto as ATTACHMENT II is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

For purposes of this certificate, the following definitions will apply:

"Public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriter.

"Related Party" means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50 percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50 percent (50%) common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50 percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

"Underwriter" means (i) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the Attorney General of the State will rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of the interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other Underwriters who may be considered Related Parties to the Purchaser and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Very truly yours,

[NAME OF PURCHASER]

By: ____________________

Name: _________________

Attachment I

REOFFERING PRICES AND YIELDS OF MATURITIES TO THE PUBLIC

[List Maturities, Prices and Yields]

Attachment II

COPY OF BID

EXHIBIT B

STATE OF NEW YORK
GENERAL OBLIGATION BONDS

$______________
SERIES 2026A TAX-EXEMPT BONDS (SUSTAINABILITY BONDS)

FORM OF CERTIFICATE AS TO ISSUE PRICE
FOR NONQUALIFIED COMPETITIVE BID

September __, 2026

[NAME OF PURCHASER], as the winning bidder (the "Purchaser"), on behalf of itself and other Underwriters as defined below, in connection with the sale by the State of New York (the "State") of its $______________ aggregate principal amount of Series 2026A Tax-Exempt General Obligation Bonds (Sustainability Bonds) (the "Bonds"), pursuant to the Notice of Sale dated September 10, 2026, hereby certifies as set forth below.

1. *Sale of the General Rule Maturities.* For each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by the Purchaser to the Public on the Sale Date is the respective price listed in ATTACHMENT I.

2. *Initial Offering Price of the Hold-the-Offering-Price Maturities.*

(a) The Purchaser offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in ATTACHMENT I (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as ATTACHMENT II.

(b) As described in the Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter, including the Purchaser, has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. *Defined Terms.*

(a) "General Rule Maturities" means those Maturities of the Bonds shown in ATTACHMENT I hereto as the "General Rule Maturities."

(b) "Hold-the-Offering-Price Maturities" means those Maturities of the Bonds listed in ATTACHMENT I hereto as the "Hold-the-Offering-Price Maturities."

(c) "Holding Period" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale

Date, or (ii) the date on which the Purchaser or any Underwriter, has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) "Maturity" means Bonds with the same credit and payment terms, including the same stated interest rate. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(f) "Related Party" means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50 percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50 percent (50%) common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50 percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 17, 2026.

(h) "Underwriter" means (i) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the Attorney General of the State will rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular, the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other Underwriters who may be considered Related Parties to the Purchaser and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

[NAME OF PURCHASER]

By: ______________________________
Name: ____________________________
Title:

Attachment I

ACTUAL SALE PRICE OR EXPECTED OFFERING PRICE

(Attached)

Attachment II

COPY OF PRICING WIRE OR EQUIVALENT COMMUNICATION

PART I - EXHIBIT E

NOTICE OF SALE FOR SERIES 2026B TAXABLE BONDS

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NOTICE OF SALE

STATE OF NEW YORK
GENERAL OBLIGATION BONDS

$53,025,000*
SERIES 2026B TAXABLE BONDS (SUSTAINABILITY BONDS)

ELECTRONIC BIDS via S&P Global's BiDCOMP™/PARITY® Competitive Bidding System ("BiDCOMP") will be received by the Comptroller of the State of New York at his office located at 110 State Street, 15th Floor, Albany, NY 12236 until **11:15 A.M.** (New York Time), on:

September 17, 2026

At such times and location, the electronic bids received will be made publicly available, for the purchase of Series 2026B Taxable General Obligation Bonds (Sustainability Bonds) of the State of New York (the "State") in the principal amount of $53,025,000* to be dated the date of delivery (the "Series 2026B Taxable Bonds"). Interest on the Series 2026B Taxable Bonds will be payable semi-annually on each March 15 and September 15, commencing March 15, 2027. The Series 2026B Taxable Bonds will be issued for the purposes and in the principal amounts as set forth below:

Purpose	Amount*
Clean Water/Clean Air	
Clean Water	$ 202,285.09
Environmental Restoration	140,815.87
Air Quality	1,440,338.04
Clean Water, Clean Air, and Green Jobs	
Restoration and Flood Risk Reduction	9,413.66
Open Space Land Conservation and Recreation	1,030,362.19
Climate Change Mitigation	119,176.07
Water Quality Improvement and Resilient Infrastructure	215,334.95
Environmental Quality 1986	
Solid Waste	17,314,430.58
Rebuild and Renew New York Transportation	
Aviation	32,022.48
Smart Schools	32,520,821.07
	$53,025,000.00

* Preliminary, subject to amendment as set forth herein.

PRINCIPAL AMORTIZATION*

Principal with respect to the Series 2026B Taxable Bonds will mature and will be paid on September 15, in the following years and amounts:

Maturing September 15*	Preliminary Annual Principal Amount*
2027	$ 8,895,000
2028	$ 9,305,000
2029	$ 9,740,000
2030	$10,205,000
2031	$10,695,000
2032	$ 4,185,000

RIGHT TO AMEND

The State reserves the right to amend this Notice of Sale, including, but not limited to, the right to change the date of the bond sale, the aggregate principal amount of the Series 2026B Taxable Bonds and/or the annual principal amounts being offered. ANY POSTPONEMENT OF THE DATE AND TIME ESTABLISHED FOR THE RECEIPT OF BIDS WILL BE ANNOUNCED BY MEANS OF A SUPPLEMENT TO THIS NOTICE OF SALE TO BE POSTED ON MUNIOS (www.munios.com) **NOT LATER THAN 10:15 A.M. (NEW YORK TIME)** ON THE DAY OF THE SALE.

The preliminary aggregate principal amounts and the preliminary annual principal amounts as set forth above in this Notice of Sale (the "Preliminary Amounts") may be revised before the opening of bids for the purchase of the Series 2026B Taxable Bonds. Any such revisions (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amounts," respectively; collectively, the "Revised Amounts") WILL BE ANNOUNCED BY MEANS OF A SUPPLEMENT TO THIS NOTICE OF SALE TO BE POSTED ON MUNIOS (www.munios.com) **NOT LATER THAN 10:15 A.M. (NEW YORK TIME)** ON THE DAY OF THE SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS.

After selecting the winning bid, the Comptroller will determine the final aggregate principal amount of the Series 2026B Taxable Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively; collectively, the "Final Amounts"). In determining the Final Amounts, the Comptroller will not reduce or increase the Revised Aggregate Principal Amount by more than 15 percent of such amount. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Series 2026B Taxable Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of Series 2026B Taxable Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the initial public offering prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Price for such maturity will not change. The Final Amounts and the adjusted purchase price for the Series 2026B Taxable Bonds will be communicated to the respective successful bidders as soon as possible, but no later than 4:00 p.m. (New York Time) on the day of the sale.

* Preliminary, subject to amendment as set forth herein.

MINORITY / WOMEN / SERVICE-DISABLED VETERAN-OWNED BUSINESS ENTERPRISES

It is the policy of the Office of the State Comptroller that consideration be given to firms which are minority-owned business enterprises, women-owned business enterprises, and service-disabled veteran-owned business enterprises. The Office of the State Comptroller requests and strongly urges bidders to include such firms in their management group or syndicate and to allocate bonds accordingly. The Office of the State Comptroller may request a report of the winning bidder showing the portion of the issue that was allocated to such firms.

THE SERIES 2026B TAXABLE BONDS

The Series 2026B Taxable Bonds will be issued pursuant to Article VII, Sections 11 and 12 of the Constitution of the State and Sections 56, 57 and 61 of the State Finance Law.

The Series 2026B Taxable Bonds will be general obligations of the State, and the full faith and credit of the State will be pledged to the payment of the principal of and interest on the Series 2026B Taxable Bonds as they become due. The State Constitution provides that the Legislature shall annually provide by appropriation for the payment of the interest upon and installments of principal of all bonds of the State as the same shall fall due, including contributions to all sinking funds for such bonds. It further provides that if at any time the Legislature fails to make this appropriation the Comptroller shall set apart from the first revenues thereafter received, applicable to the General Fund of the State, a sum sufficient to pay such interest, installments of principal, or contributions to such sinking funds, as the case may be, and shall apply moneys thus set apart. The Comptroller may be required to set aside and apply such revenues at the suit of any holder of such bonds.

The Series 2026B Taxable Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") which will act as securities depository for the Series 2026B Taxable Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2026B Taxable Bonds purchased. Beneficial ownership interests in the Series 2026B Taxable Bonds in the amount of $5,000 or any integral multiple thereof may be purchased by or through DTC Participants. Interest will be payable semi-annually beginning on March 15, 2027 and on each September 15 and March 15 thereafter until maturity.

OPTIONAL REDEMPTION PRIOR TO MATURITY*

The Comptroller reserves to the State the right to redeem the Series 2026B Taxable Bonds prior to their stated maturity dates at the written direction of the State, in whole or in part, on any Business Day, at the Taxable Make-Whole Redemption Price (as defined below).

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

(1) one hundred percent (100%) of the principal amount of the Series 2026B Taxable Bonds to be redeemed, or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2026B Taxable Bonds to be redeemed (taking into account any mandatory sinking fund redemptions), not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2026B Taxable Bonds are to be redeemed, discounted to the date on which such Series 2026B Taxable Bonds are to be

* Preliminary, subject to amendment as set forth herein.

redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined in the Preliminary Official Statement) plus 0 basis points,

plus accrued and unpaid interest on such Series 2026B Taxable Bonds to be redeemed on the redemption date.

While the Series 2026B Taxable Bonds are held in DTC book-entry only form, in the case of optional redemption of the Series 2026B Taxable Bonds, if less than all of the Series 2026B Taxable Bonds are to be redeemed, the particular Series 2026B Taxable 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 Bank of New York Mellon (the “Fiscal Agent”). If the Fiscal Agent 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 2026B Taxable Bonds will be selected for redemption in accordance with DTC procedures by lot. The State intends that redemption allocations to be made by DTC, the DTC Participants or such other intermediaries that may exist between the State and the owners of the Series 2026B Taxable Bonds be made on a Pro Rata Pass-Through Distribution of Principal basis as described above. However, the State 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 2026B Taxable Bonds on a Pro Rata Pass-Through Distribution of Principal basis, the Series 2026B Taxable Bonds will be selected for redemption by lot.

The State may provide conditional notice of redemption, which may state that such redemption is conditioned upon the receipt of moneys or any other event. If such conditions are not met, such redemption shall not occur and the State is to give notice, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given as described above. Additionally, any such conditional redemption notice may be rescinded no later than one Business Day prior to the date specified for redemption by written notice by the State given, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given.

BOND INSURANCE

The State has not contracted for the issuance of any policy of municipal bond insurance for the Series 2026B Taxable Bonds. If the Series 2026B Taxable Bonds qualify for any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the successful bidder, and any increased costs of issuance or delivery of the Series 2026B Taxable Bonds resulting by reason of such insurance or commitment shall be assumed by such bidder. Bids shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Series 2026B Taxable Bonds to be so insured or of any such policy or commitment to be issued, or any rating downgrade or other material event occurring relating to the issuer of any such policy or commitment, shall not in any way relieve the successful bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Series 2026B Taxable Bonds.

PROPOSALS

Each bid must be for all and not part of the Series 2026B Taxable Bonds and must name the rate or rates of interest which the Series 2026B Taxable Bonds are to bear. The bids shall comply with the following conditions: (1) Each interest rate specified in any bid must be a multiple of 1/1000 of one percent (1%); (2) No Series 2026B Taxable Bond shall bear more than one rate of interest; (3) Each Series 2026B Taxable

Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; and (4) All Series 2026B Taxable Bonds maturing at any one time shall bear the same rate of interest. All bids must be for no less than 99.5 percent of the par value of the Revised Aggregate Principal Amount of the Series 2026B Taxable Bonds. Bids must be submitted via BiDCOMP.

BASIS OF AWARD

The award of the Series 2026B Taxable Bonds, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Series 2026B Taxable Bonds at the lowest true interest cost to the State, calculated by the State, based on the Revised Amounts described above. True interest cost shall be determined for each bid by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments (interest, or principal and interest, as due, including any mandatory redemptions) from the payment dates to the dated date, which is the delivery date, expected to be on or about September 30, 2026, and to the price bid. If more than one bid offers the same lowest true interest cost, the Series 2026B Taxable Bonds shall be awarded to one of such bidders based upon which bid was received first. Each bidder shall include in its bid a statement of true interest cost offered in its bid, but this statement shall not be deemed to be part of the bid.

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Prospective bidders must be contracted customers of BiDCOMP. If you do not have a contract with BiDCOMP, call (212) 849-5021 to become a customer. By submitting a bid of the Series 2026B Taxable Bonds, a prospective bidder represents and warrants to the State that such bidder's bid for the purchase of the Series 2026B Taxable Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Series 2026B Taxable Bonds. By contracting with BiDCOMP, a prospective bidder is not obligated to submit a bid in connection with the sale.

If any provisions of this Notice of Sale conflict with information provided by BiDCOMP as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about BiDCOMP, including any fee charged, may be obtained from BiDCOMP, 55 Water Street, New York, NY 10041, Attention: Francesco Nuccio, (212) 849-5021. Additional information concerning bidding through the BiDCOMP system may be obtained by calling (212) 849-5021.

Bids must be submitted for the purchase of the Series 2026B Taxable Bonds by means of the State's Bid Form (the "Bid Form") via PARITY® electronically on **September 17, 2026** by **11:15 A.M.**, New York Time, unless postponed as described herein. Prior to these times, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP. Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to PARITY®. Once the bids are communicated electronically via PARITY® to the State and the respective sale time has passed, each bid will constitute an irrevocable offer to purchase the Series 2026B Taxable Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the State represented by the rate or rates of interest and the bid price specified in their respective bids. No bid will be received after the time for receiving such bids specified above. Instructions to submit a bid via BiDCOMP are included in the Preliminary Official Statement.

DISCLAIMER

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP for purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the State nor BiDCOMP shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the State nor BiDCOMP shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The State is using Parity as a communication mechanism, and not as the State's agent, to conduct the electronic bidding for the Series 2026B Taxable Bonds. The State is not bound by any advice and determination of BiDCOMP to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the specifications under "Proposals" set forth above. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders; and the State is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Series 2026B Taxable Bonds, it should telephone BiDCOMP and also notify the Office of the State Comptroller's Office of Budget Policy and Analysis by email at debtmanagement@osc.ny.gov.

GOOD FAITH DEPOSIT

Good Faith Deposit

A good faith deposit in the amount of $400,000.00 (the "Deposit") is required in connection with the sale and bid for the Series 2026B Taxable Bonds. The Deposit will be provided for by Federal funds wire transfer to be submitted to the Office of the State Comptroller by the successful bidder not later than 3:00 p.m. (New York Time) on the date of sale (the "Wire Transfer Deadline") as set forth below under "Wire Transfers." The Deposit of the successful bidder will be collected and the proceeds thereof retained by the Office of the State Comptroller to be applied in partial payment for the Series 2026B Taxable Bonds, and no interest will be allowed or paid upon the amount thereof.

Wire Transfers

The Office of the State Comptroller will distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidder and prior to the Wire Transfer Deadline. If the Deposit is not received by the Wire Transfer Deadline, the award of the sale of Series 2026B Taxable Bonds to the successful bidder may be cancelled by the Office of the State Comptroller in its discretion without any financial liability of the Office of the State Comptroller to the successful bidder or any limitation whatsoever on the Office of the State Comptroller's right to sell the Series 2026B Taxable Bonds to a different purchaser upon such terms and conditions as the Office of the State Comptroller shall deem appropriate.

RIGHT OF REJECTION

The Comptroller reserves the right to reject any or all bids.

SERIAL BONDS, TERM BONDS AND MANDATORY REDEMPTION

The successful bidder may provide in the bid form for all of the Series 2026B Taxable Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Series 2026B Taxable Bonds of the same interest rate to be combined into one or more term bonds. Each such term bond shall be subject to mandatory redemption on September 15 of the first year which has been combined to form such term bond and on September 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the appropriate amortization schedule, as adjusted in accordance with the provisions described above under the caption "Right to Amend." Series 2026B Taxable Bonds to be redeemed in any year by mandatory redemption shall be redeemed at par and shall be selected by lot from among the Series 2026B Taxable Bonds of the same maturity.

REOFFERING AND SALE OF THE SERIES 2026B TAXABLE BONDS TO PUBLIC

Compliance with Laws

By submitting a bid, each initial purchaser agrees to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Series 2026B Taxable Bonds or possesses or distributes the Official Statement or any other offering or publicity material relating to the Series 2026B Taxable Bonds and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Series 2026B Taxable Bonds under the laws and regulations in force in any country or jurisdiction to which it is subject or in which it makes such purchases, offers or sales and the State shall have no responsibility therefor.

OFFICIAL STATEMENT

The Preliminary Official Statement, dated September 10, 2026 (the "Preliminary Official Statement"), issued by the State in connection with the sale of its Series 2026A Tax-Exempt General Obligation Bonds, and the Series 2026B Taxable Bonds, has been deemed final by the State as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), except for certain permitted omissions described in paragraph (b) (1) of Rule 15c2-12, but is subject to change without notice and to completion or amendment or supplementation in the Official Statement.

The State is distributing copies of the Preliminary Official Statement to potential bidders electronically through MuniOS. Potential bidders may also obtain an electronic copy of the Preliminary Official Statement by logging onto the website for MuniOS at "www.munios.com".

After the sale of the Series 2026B Taxable Bonds, the State will provide the successful bidder with an electronic copy of the Official Statement within seven (7) business days of the award of the Series 2026B Taxable Bonds. The successful bidder is responsible for distributing the Official Statement to its syndicate members. The successful bidder will be required to promptly provide pricing information on the date the bid is awarded necessary for the State to complete the Official Statement.

CONTINUING DISCLOSURE

In order to assist bidders in complying with Rule 15c2-12(b)(5), the State will undertake, pursuant to an agreement (the "Continuing Disclosure Agreement"), to provide annual reports and notices of certain events. A description of and a copy of the proposed form of Continuing Disclosure Agreement are set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The successful bidder agrees to electronically file the Official Statement with the MSRB by the closing date.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP identification numbers will be printed on the Series 2026B Taxable Bonds, but neither the failure to print such number on any Series 2026B Taxable Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchasers thereof to accept delivery of and pay for the Series 2026B Taxable Bonds. Public Resources Advisory Group (the "Financial Advisor") will timely apply for CUSIP numbers with respect to the Series 2026B Taxable Bonds as required by MSRB Rule G-34. The initial Purchaser shall be responsible for the cost of assignment of such CUSIP numbers.

CLOSING DOCUMENTS

As a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 2026B Taxable Bonds, such successful bidder will be furnished the following documents: (i) a copy of the Official Statement relating to the Series 2026B Taxable Bonds, dated as of the date of the award of the Series 2026B Taxable Bonds and similar in form and substance in all material respects to the Preliminary Official Statement, as amended or supplemented to the date and time of the award of the Series 2026B Taxable Bonds (the "Official Statement"); (ii) a certificate signed by the Comptroller of the State of New York and dated as of the date of the delivery of and payment for the Series 2026B Taxable Bonds, certifying with respect to Parts I and III of the Official Statement, but not with respect to Part II of the Official Statement, that, as of the date of the Official Statement, Parts I and III of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Parts I and III of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading; (iii) a certificate signed by the Director of the Budget of the State of New York and dated as of the date of the delivery of and payment for the Series 2026B Taxable Bonds, certifying with respect to Part II of the Official Statement, but not with respect to Parts I and III of the Official Statement, that, as of the date of the Official Statement furnished by the State in relation to the sale of the Series 2026B Taxable Bonds, and as of the date of such certificate, Part II of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in Part II of the Official Statement obtained from sources other than the State is not certified as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and subject to the further condition that with regard to the statements and information in Part II 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 deems appropriate with the Department of Law of the State of New York, without further independent investigation; (iv) a certificate of the Comptroller, dated as of the date of delivery of and payment for the Series 2026B Taxable Bonds, certifying that the facsimile signature impressed upon the Series 2026B Taxable Bonds is his lawful signature, and constituting a receipt for the payment for the Series 2026B Taxable Bonds; (v) the Continuing Disclosure Agreement; and (vi) the approving opinion of the Attorney General of the State of New York as to the legality of the Series 2026B Taxable Bonds.

DELIVERY AND PAYMENT

The Series 2026B Taxable Bonds will be available for delivery through the facilities of DTC on or about September 30, 2026. The successful bidder will be required to make payment to the State Comptroller for the Series 2026B Taxable Bonds, upon delivery of such Series 2026B Taxable Bonds, by Federal Wire.

OTHER INFORMATION

Electronic copies of the Preliminary Official Statement, including the Notice of Sale are available on the Internet at "www.munios.com."

Thomas P. DiNapoli, State Comptroller, Albany, New York

Dated: September 10, 2026

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PART I - EXHIBIT F

INSTRUCTIONS TO SUBMIT A BID ELECTRONICALLY VIA BiDCOMP/PARITY

- You must be a contracted customer of S&P Global's BiDCOMP™/Parity® Competitive Bidding System ("BiDCOMP"). If you do not have a contract with BiDCOMP, call (212) 849-5021 to become a customer.

- In BiDCOMP, select the New York State sale among the list of current sales.

- Go to the bid form screen. Keep notice of the time clock and be sure to read all bid specifications.

- Once you have created and saved a bid in BiDCOMP, click the final bid button in BiDCOMP to submit the bid to Parity.

- Upon clicking the Final Bid button, the bidder will see a message box in BiDCOMP that states: "Do you want to submit this bid to Parity? By submitting the bid electronically via Parity, you represent and warrant that this bid for the purchase of the Bonds is submitted by the representative who is duly authorized to bind the bidder to a legal, valid, enforceable contract for the purchase of the Bonds. The Notice of Sale is incorporated herein by this reference." Click yes to submit the bid to Parity.

- If during bid calculation BiDCOMP warns you that your current bid violates the bid parameters, please change your bid to meet bid specifications. The BiDCOMP system will submit bids which violate the bid parameters, but New York State does not intend to consider any bids that do not meet its parameters.

- You may choose to proceed with submission of the bid or choose to cancel the submission.

- Contact BiDCOMP/Parity at (212) 849-5021 with questions or problems.

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PART I - EXHIBIT G

S&P GLOBAL RATINGS SECOND PARTY OPINION

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S&P Global Ratings

Powered by Shades of Green

Second Party Opinion

State of New York's General Obligation Bonds, Series 2026A Tax-Exempt Bonds, and Series 2026B Taxable Bonds

Sep. 10, 2026

Primary contact

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San Francisco
+1-415-371-5021
alan.bonilla
@spglobal.com

Location: U.S.	**Sector:** Governments

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Sustainability Bond Guidelines ICMA, 2021

See Alignment Assessment for more detail.

Strengths

Financing takes place within a stringent regulatory environment, which ensures compliance with environmental and social objectives. The issuer is subject to regulations pertaining to its project categories.

The access to essential services category uniquely benefits low-income communities. These projects include state-funded capital grants to support high-speed broadband and wireless internet infrastructure for schools and communities, as well as educational technology equipment.

Areas to watch

No weaknesses to report.

The issuer has limited reporting on its social projects. For instance, the access to essential services category focuses on reporting funding deployment and project delivery rather than quantified social outcomes. In addition, the employment generation category does not directly report employment outcomes, though New York transportation agencies regularly estimate and report jobs supported by transportation capital investments.

Eligible Projects Summary

Following the issuance of the financing, the State of New York expects to allocate approximately 2.17% of the proceeds to its Clean Water, Clean Air Act projects; approximately 41.89% to its Clean Water, Clean Air, Green Job projects; approximately 0.16% to its Environmental Quality 1972 projects; approximately 5.11% of proceeds to its Environmental Quality 1986 projects; approximately 0.21% to its Rebuild and Renew New York Transportation Bond Act of 2005 (RRNY) projects; and approximately 50.46% to its Smart Schools projects.

The issuer expects to allocate 100% of the proceeds to reimburse project costs.

Project category	Shade	SDGs
GREEN		
Pollution prevention and control projects	Medium to Light green	• **Not applicable**
Sustainable water and wastewater management	Medium to Light green	• **Not applicable**
Climate change adaptation and mitigation	Dark to Medium green	• **Not applicable**
Biodiversity and conservation	Medium to Light green	• **Not applicable**
SOCIAL		
Access to essential services		• **Not applicable**
Employment creation		• **Not applicable**

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association's (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

See Analysis Of Eligible Projects for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Material Sustainability Factors

- **Physical climate risk**
- **Pollution**
- **Water**
- **Impact on communities**

Issuer And Context Analysis

The projects financed through the transaction address physical climate risk, pollution, water, and impact on communities, which are material sustainability factors in the sector. The state of New York expects the projects to enhance water and wastewater infrastructure, stormwater management, flood mitigation, and broader climate resilience initiatives across the state, thereby improving the health and safety of local waterways and communities.

Physical climate risk is a key sustainability issue for the State of New York because it is exposed to intensifying flooding and storm events, which can affect communities. To manage these risks, New York supports resilient infrastructure planning, flood-risk assessments, and stormwater upgrades. Programs such as Resilient NY use climate projections to identify flood-mitigation measures for communities that are vulnerable to climate change. Complementing these efforts, New York funds nature-based and green infrastructure measures such as wetlands, riparian buffers, streambank stabilization, rain gardens, porous pavement, stormwater retention systems, and floodplain restoration to help manage runoff, reduce flood risk, and support water quality. Coordinated planning between State agencies, public authorities, and stakeholders support these initiatives, strengthening the long-term sustainability and climate resilience of New York's watershed, infrastructure, and climate resilience.

New York aims to protect water quality sources, reduce pollutions risks, and ensure regulatory compliance, thereby maintaining a reliable water supply for residents and businesses. New York's drinking water protection framework is led by the Department of Health and Department of Environmental Conservation (DEC), which work with local health departments, municipalities, and water suppliers to protect public water sources, monitor public water systems, and reduce contamination risks from source to tap. To mitigate wastewater and stormwater pollution, the State uses the State Pollutant Discharge Elimination System (SPDES) permit program to regulate wastewater and stormwater discharges, while Municipal Separate Storm Sewer Systems (MS4) permits require municipalities to implement stormwater management programs to reduce pollutant discharges to waterways. In addition, New York supports source-water protection through the Drinking Water Source Protection Program, a locally led and state-supported initiative that provides technical assistance to municipalities to develop and implement drinking water source protection plans. The State also uses air pollution control permits, emissions monitoring, vehicle inspection and maintenance, and community air monitoring to address air quality and pollution burdens, particularly in disadvantaged communities.

New York's community-focused initiatives address education infrastructure through digital connectivity, classroom technology, and school safety. Through the Smart Schools Bond Act (SSBA), New York supports community outcomes by funding school connectivity, classroom technology, pre-kindergarten classroom improvements, and security upgrades. These projects are intended to improve digital access, modernize learning environments, and enhance student safety across schools and communities. Districts are required to submit Smart Schools Investment Plans aligned with instructional technology plans and student needs before using program funds.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments," as well as our analysis of eligible projects considered to have clear social benefits and to address or mitigate a key social issue.

Green project categories

Pollution prevention and control	**Medium to Light green**

Description

- Clean Water, Clean Air Act: Air quality projects
- Environmental Quality Act 1972: Air projects
- Clean Water, Clean Air Act: Environmental restoration projects
- Environmental Quality Act 1986: Waste site remediation projects

Analytical considerations

- Pollution remediation projects have direct benefits for local biodiversity and human health by reducing the concentration of air and soil pollutants. The treatment and recovery of contaminated soil and polluted water help to address past environmental damage and set the stage for long-term ecosystem recovery.
- The 1996 Clean Water, Clean Air Bond Act authorized the creation of a State debt to fund programs for preserving, enhancing, restoring, and maintaining air quality, among other programs. Example in-scope projects include the Department of Environmental Conservation's (DEC) statewide electric vehicle (EV) charging stations and zero emission vehicle infrastructure and conversion projects. We assign the EV charging stations a Dark green shade. The projects could also include plug-in hybrids, and we assign these projects a Light green shade.
- Eligible air quality projects also include various air monitoring equipment statewide. We assign the air monitoring equipment a Light green shade. Such air monitoring equipment helps regulators find pollution violations and, in this way, helps reduce pollutants. These air monitoring projects are in line with regulatory requirements.
- The Environmental Quality Bond Act of 1972 authorized the creation of a State debt to fund projects that are focused on the preservation, enhancement, restoration, and improvement of the quality of air, among other programs. Eligible projects funded in the last 18 months include municipal waste reduction and recycling projects in different cities across the state. Grants were allocated to reduce waste generation, increase materials recovery, divert waste from disposal, and mitigate environmental impacts associated with municipal solid waste management. We assign these projects a Light green shade.
- The 1996 Clean Water, Clean Air Bond Act also includes projects focused on restoring and improving contaminated areas and returning them to productive use, among other projects. Eligible environmental restoration projects include environmental remediation cleanup projects for several sites. There may be some reliance on fossil fuel equipment for these projects. We assign these projects a Medium green shade.
- The Environmental Quality Act of 1986 authorized the creation of a State debt to fund hazardous waste site remediation and municipal non-hazardous waste landfill closures, among other programs. Eligible project types include environmental cleanup projects. An example project is the environmental cleanup of a former chemical company. For this project type, there may be some reliance on fossil fuel equipment. We assign these projects a Medium green shade.

Sustainable water and wastewater management — Medium to Light green

Description

- Clean Water, Clean Air Act: Clean water projects
- Clean Water, Clean Air, Green Jobs Act: Water quality improvement and resilient infrastructure projects

Analytical considerations

- As a form of natural capital, water is necessary for economic activity, thriving ecosystems, and public health. Therefore, water supply systems are important for securing a future where all stakeholders have reliable access to sufficient water of adequate quality. These systems are energy-intensive and, if not sufficiently managed, can generate significant waste, exacerbate water stress for other stakeholders, and pose disruptions to hydrology and aquatic ecosystems. Additionally, wastewater systems reduce pollution, enable resource recovery, and enhance ecosystems and public health; as a result, they are a key component of a low-carbon, climate-resilient future. The primary benefits they provide include: improving water quality, which has important cumulative effects on a watershed; relieving water stress; and--depending on the system--providing a source of nutrient and energy recovery. However, these systems are energy-intensive and, if not sufficiently managed, can produce significant solid waste and methane emissions.
- The Clean Water, Clean Air Bond Act of 1996 authorized the creation of a State debt to fund the establishment of a safe drinking water program, as well as programs for preserving, enhancing, restoring, and improving water quality, among others. Eligible in-scope projects include water quality improvement projects and sanitary sewer improvements. The water quality improvement projects can increase water supply and quantity and focus on ensuring the continuity, safety, and regulatory compliance of existing water services. The sanitary sewer improvement projects focus on existing wastewater services. These projects do not have additional quantified environmental outcomes such as quantified energy efficiency metrics. We assign these projects a Light green shade.
- The Clean Water, Clean Air Bond Act clean water projects can also include projects through the state's Local Waterfront Revitalization Program (LWRP), Brownfield Opportunity Area (BOA), and Smart Growth (SG) grant programs. The state's LWRP, BOA, and SG grant programs help communities revitalize waterfronts, reduce environmental contamination, and promote sustainable infrastructure. These projects can involve environmental cleanup activities such as remediation or restoration. There may be some reliance on fossil fuel equipment. We assign these projects a Medium green shade.
- Another eligible project is the Golden Beach campground electric system project, which involved replacing the campground's electric distribution system. This project helped to promote clean water by making the campground's water treatment and sewage infrastructure more reliable. The project will reduce the discharge of water, in line with regulatory requirements. The project has been in compliance with past regulations. We assign this project a Light green shade.
- The Clean Water, Clean Air, Green Jobs Act of 2022 authorized, among other things, the funding of capital projects for water quality improvement and resilient infrastructure. Eligible projects include sewer replacements, the replacement of aged and deteriorating water mains and appurtenances, surface water treatment plant rehabilitation, implementation of agricultural best management practice systems through the Agricultural Nonpoint Source Abatement and Control Program (AGNPS), tank rehabilitation, distribution upgrades and looping, well house improvements, connections to an aqueduct, creek rehabilitation, and pump stations, among other projects. Water quality improvement projects at the Harriman Lake Sebago project are also eligible. These projects focus on increasing water supply and ensuring the continuity of wastewater services. These projects do not have any additional quantified environmental outcomes such as energy efficiency metrics. We assign these projects a Light green shade.

Climate change adaptation and mitigation — Dark to Medium green

Description

- Clean Water, Clean Air, Green Jobs Act: Climate change mitigation projects
- Clean Water, Clean Air, Green Jobs Act: Restoration and flood risk reduction projects

Analytical considerations

- Climate scientists have been clear that some degree of climate change will take place, even under the most optimistic scenarios. There is also a level of climate change that has already happened. This makes it crucial to plan for and mitigate potential risks to reduce the financial and environmental effects. Implementing adaptation solutions can also reduce the required resources and emissions to rebuild damaged assets.
- Climate change adaptation and mitigation projects that may require large-scale construction can have sizeable embodied emissions. The State of New York is potentially exposed to physical climate risks and identifies potential exposures through its New York State Climate Impacts Assessment.
- The Clean Water, Clean Air, Green Jobs Act of 2022 authorized climate change mitigation projects, among other projects. Eligible projects include financial incentives supporting the deployment of charging infrastructure under the New York School Bus Incentive Program (NYSBIP), financial incentives supporting the deployment of zero-emission school buses under the NYSBIP, projects for the New York State Energy Research and Development Authority (NYSERDA)-approved school bus fleet electrification plan, and projects for bus charging stations at state school districts. We assign the charging infrastructure projects under the NYSBIP and the bus charging stations at state school districts a Dark green shade. We assign the zero-emission school buses and the projects for school bus fleet electrification a Medium green shade. Some of the buses could be battery electric, while others could be fuel cell hydrogen buses that could run on non-green hydrogen.
- Other eligible climate mitigation projects includes upgrades to the Colonel William F. Fox Memorial Saratoga Tree Nursery, which could involve facility upgrades, seed processing and storage, energy systems, infrastructure, irrigation systems, fencing, roadways, greenhouses, and the addition of lab facilities. We do not anticipate that the roadways here would include building new public roads. Rather, the roadways in scope appear to be internal paths for trucks to drive within the nursery. Revitalizing this nursery is part of the state's 25 Million Trees by 2033 initiative, which recognizes the importance of trees and forests for climate mitigation and community health. The projects could include construction related to building restoration and consolidation. There is no plan to manage embodied emissions from these projects; however, we assign this project a Medium green shade.
- The Clean Water, Clean Air, Green Jobs Act of 2022 also authorized restoration and flood risk reduction projects, among others. Eligible projects include the Philips brook dam removal and restoration project, the demolition of structurally unsound flood wall monoliths at the Binghamton project, and the reconstruction of flood wall structural elements at the Cheektowaga project. Other eligible projects include dam safety improvements and the Crystal Lake High Hazard dam decommissioning/removal, as well as improvements to the Elmira flood control project, the Herkimer flood control project, the Olean flood control project, and the Whitney Point flood control project. Construction may be required for some of these projects, though there is no plan to manage embodied emissions. These restoration and flood risk projects receive a Medium green shade.

Biodiversity conservation and restoration	Medium to Light green

Description

- Clean Water, Clean Air, Green Jobs Act: Open space land conservation and recreation projects

Analytical considerations

- Healthy ecosystems and biodiversity are an important part of a low-carbon, climate-resilient future, providing natural resources, water and soil management, and pollination services. Protecting or restoring biodiversity also often creates climate co-benefits, such as carbon sequestration or adaptation solutions. Well-designed projects can reduce threats such as unsustainable resource extraction, climate change risks, land use changes, pollution, and invasive species.
- The Clean Water, Clean Air, Green Jobs Act of 2022 authorized funds for open space land conservation and recreation, among other things. An eligible project is the Albany Hudson electric trail, which follows the historic route of the Albany and Hudson electric trolley line. It is a multi-use rail trail and is a mix of off-road, stone-dust paved paths and on-road connectors. The construction of a multi-use recreational trail to Lake Placid from Tupper Lake is also an eligible project. These projects can protect existing natural ecosystems and species, preserve natural green corridors, and reduce habitat fragmentation,

among other benefits. The criteria of the projects for protecting existing natural ecosystems and species are higher level and somewhat vague. The projects receive a Medium green shade.

- Other eligible projects include land acquisitions for Seneca 14 in Seneca County and the Golden tract in Ulster County. The acquisition for Seneca 14 is the former Boy Scout Camp "Babcock-Hovey". The land will be managed by the DEC for public recreation, drinking water protection, and habitat conservation. The land for the Ulster Golden tract is a 900-acre acquisition added to the Catskill Forest Preserve. The tract sits in the Ashokan Reservoir watershed, helping protect critical drinking water, preventing landscape fragmentation, and safeguarding wildlife habitats. The criteria of the projects for protecting existing natural ecosystems and species are higher level and somewhat vague. We assign these projects a Medium green shade.
- Eligible projects also include infrastructure that is at or near the end of its serviceable life at several hatcheries. Such infrastructure will be upgraded, including several major hatchery rebuilds and expansions. Hatchery upgrades will incorporate sustainable technologies and increase biosecurity, employee safety, and outreach experiences. Capital improvements will include new hatchery buildings with integrated solar and efficient water reuse systems. Ponds and tanks will be replaced to allow for safe access by staff. There will also be dedicated research, fish health management, and broodstock management culture spaces in each redesigned facility. Dams critical to operations will be repaired and maintained to modern standards. Lighting and heating, ventilation, and air conditioning (HVAC) will be upgraded with efficient technology.
- Eligible hatcheries include the Adirondack, Caledonia, Chateaugay, Randolph, and Salmon River hatcheries. These hatcheries will protect existing natural ecosystems and species. These projects are for recreational and restoration purposes. The criteria and selection processes for these projects are higher level and somewhat vague. Restored areas may not necessarily be dedicated to conservation but will be used for sustainable hatcheries going forward. These projects receive a Light green shade.

S&P Global Ratings' Shades of Green

Assessments	Dark green	Medium green	Light green	Yellow	Orange	Red
Description	Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps towards an LCCR future but will require further improvement to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects	Wind power	Certified forestry	New energy efficient buildings	Fossil fuel buses	Conventional steel production	Oil and gas exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Social project categories

Access to essential services

State-funded capital grants to support high-speed broadband and wireless internet infrastructure for schools and communities, as well as educational technology equipment—such as computers, tablets, interactive whiteboards, and 3D printers—to support teaching and learning.

Analytical considerations

- The SSBA was approved by New York State voters in 2014 and authorized the issuance of $2 billion in general obligation bonds to support investments in educational technology and infrastructure aimed at improving learning opportunities and student outcomes across the state. A notable goal of the program is to fund capital assets rather than operating expenses.
- The SSBA seeks to advance educational equity and socioeconomic opportunity for students across New York State, with particular attention to underserved and vulnerable student populations. Specifically, proceeds are aimed to ensure inclusive learning environments and address the needs of students with disabilities, English language learners, and those who may struggle in traditional classroom settings.
- Districts seeking SSBA funding must submit a Smart Schools Investment Plan for review by the New York State Education Department. As part of the approval process, proposed technology investments are evaluated to ensure they are aligned with the district's approved Instructional Technology Plan (ITP) and advance its educational goals. ITP includes the state's strategy to expand equitable access to digital learning resources. To be eligible for technology-related funding, districts must have an approved ITP on file and all proposed expenditures must be consistent with that plan.
- Over the 18-month period ended July 2026, the SSBA distributed more than $170 million of grant funding to over 200 school districts, supporting a wide range of projects through awards that varied from less than $1,000 to approximately $50 million per district. The largest beneficiary was the New York City school district, which received approximately $50 million in grants. Consistent with the objectives of the SSBA, funding supported districtwide educational technology and connectivity investments designed to enhance digital learning opportunities and technology infrastructure across New York City schools.
- The SSBA primarily reports on funding allocations, approved investment plans, and project implementation, including district-level awards, approved project categories, and program participation. Reporting is primarily focused on funding deployment and project delivery rather than quantified social outcomes. While reporting metrics such as the number of students reached or educational outcomes achieved would represent a stronger impact-reporting practice, we recognize that the program was established in 2014, prior to the widespread adoption of current social bond reporting standards.

Employment creation

Bond-financed capital investments to construct, rehabilitate, preserve, and improve New York's transportation infrastructure, including highways, bridges, public transit, rail networks, airports, ports, waterways, canals, and related transportation facilities and equipment.

Analytical considerations

- The RRNY was a voter-approved New York State general obligation bond program that authorized up to $2.9 billion of borrowing to finance transportation infrastructure improvements across the state. The measure, known as Proposition 2, was approved by New York voters in November 2005.
- The general obligation bonds finance critical transportation infrastructure improvements across New York State and, at inception, were expected to support significant employment and economic activity, with state officials projecting more than 120,000 jobs from the associated capital investments. The anticipated employment impacts were associated with investments in essential transportation infrastructure that aimed to deliver sustained public and economic benefits beyond the construction period.

- Employment impacts were anticipated through construction, engineering, project management, equipment manufacturing, supply-chain demand, and broader economic activity generated by infrastructure spending, with state officials also highlighting the creation of thousands of construction jobs. Additionally, the statewide scope of eligible projects suggests that employment benefits were expected to support workers and businesses across a broad range of New York communities, including those in rural areas.
- The RRNY reports on the allocation of bond proceeds, transportation capital expenditures, and the progress, scope, budget, and completion status of eligible infrastructure projects. While the RRNY does not report employment outcomes, New York transportation agencies regularly estimate and report jobs supported by transportation capital investments through economic impact studies, with MTA analyses estimating tens of thousands of direct, indirect, and induced jobs from construction, engineering, equipment manufacturing, and related infrastructure spending.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Social and Green Bond principles and the Sustainability Bond Guidelines.

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Sustainability Bond Guidelines ICMA, 2021

✓ Use of proceeds

We assess all the transaction's green project categories as having a green shade and consider all social project categories to be aligned. The issuer commits to allocating the net proceeds issued under the transaction exclusively to eligible green and social projects. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the environmental and social benefits of the expected use of proceeds.

✓ Process for project evaluation and selection

The Preliminary Official Statement (POS) communicates the process the State uses to evaluate projects for financing. To ensure eligibility, projects must align with specific criteria from the Clean Water/Clean Air Bond Act of 1996; the Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022; the Environmental Quality Bond Acts of 1972 and 1986; the RRNY; and the Smart Schools Bond Act of 2014. These acts focus on the preservation, enhancement, restoration, and improvement of water, air, and land quality—including environmental quality and outdoor recreation benefits under EQ72—while also contributing to transportation infrastructure improvements under the RRNY and improved educational technology, connectivity, school infrastructure, and learning opportunities under the Smart Schools Bond Act. Furthermore, all eligible projects are subject to a comprehensive regulatory review to ensure full compliance with all applicable federal, state, and local environmental laws and permitting requirements.

✓ Management of proceeds

The issuer will track the bond proceeds, which will be deposited in accordance with the requirements of New York State Finance Law (SFL). Bond proceeds will be used exclusively for eligible green and social projects. For as long as the bonds remain outstanding, the state will maintain dedicated accounts and internal tracking systems to ensure allocations are properly matched to eligible projects.

✓ Reporting

The issuer commits to report annually on the allocation of the net proceeds and on the financed projects' impact until full allocation. Reporting will be available on the State Comptroller's website. Additionally, within 60 days following the end of each fiscal year, recipients of funding under the Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022 must report total appropriations, commitments, year-to-date disbursements, and remaining uncommitted balances, including project descriptions for financed Clean Water and Clean Air projects. For the Environmental Quality Bond Acts of 1972 and 1986, the RRNY, and the Smart Schools Bond Act of 2014, the State provides annual continuing disclosures covering financial and operating information, including debt and financing activity.

Related Research

- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: Shades Of Green Assessments, July 27, 2023

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PART II

INFORMATION CONCERNING THE STATE OF NEW YORK

Part II 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.

The AIS set forth in this Part II is dated June 10, 2026. 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, 2026 were prepared by the Office of 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 24, 2026 and are referred to or set forth herein. 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 10, 2026

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INTRODUCTION

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This Annual Information Statement for FY 2027 (AIS) is dated June 10, 2026 (the same date as the release date of the FY 2027 Enacted Budget Financial Plan) and contains information only through that date, unless otherwise noted. 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 12, 2025 and all updates and supplements issued in connection therewith. By statute, the Division of the Budget (DOB) is responsible for preparing and updating the State's Financial Plan (which includes financial results as well as current and out-year projections). DOB then utilizes the Financial Plan results and projections to present the information that appears in this AIS on behalf of the State. In preparing this AIS, DOB has also relied on information drawn from other sources, including the Office of the State Comptroller (OSC) and the State Office of the Attorney General. Historically, the AIS has been updated on a quarterly basis, and it 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 2027 (FY 2027)[1] Enacted Budget Financial Plan (the “Enacted Budget Financial Plan” or “Financial Plan”) issued by DOB on June 10, 2026. The Financial Plan (which is available on the DOB website, www.budget.ny.gov) sets forth the State’s official financial projections for FY 2027 through FY 2030 (the “Financial Plan period”). It includes, among other things, information on the major components of the FY 2027 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. This AIS is dated the same date as the release date of the Financial Plan and contains information only through this date, except for certain explanatory information not contained in the Financial Plan which DOB has determined does not materially change the projections contained in the Financial Plan.

   DOB expects to complete the first quarterly update to the FY 2027 Enacted Budget Financial Plan in July 2026. However, given (i) the relatively short period of time since the release date of the FY 2027 Enacted Budget Financial Plan, and (ii) DOB's current analysis of preliminary operating results for the first quarter of FY 2027, DOB does not anticipate that there will be material changes in the State's financial condition to mandate the release of 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 2027 or in future fiscal years is provided under the heading “Other Matters Affecting the Financial Plan”.

[1] The State fiscal year is identified by the calendar year in which it ends. For example, fiscal year 2027 (“FY 2027”) is the fiscal year that began on April 1, 2026 and will end on March 31, 2027.

3. Information on other subjects relevant to the State's finances, including summaries of: (a) the State's revised economic forecast and a profile of the State economy, (b) operating results for the prior three fiscal years (presented on a cash basis of accounting), (c) the State's debt and other financing activities, (d) activities of public authorities and localities, and (e) information regarding State government employment.
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.
6. Financial Plan tables that summarize actual General Fund receipts and disbursements for FY 2026; and projected receipts and disbursements for FY 2027 through FY 2030 on a General Fund, State Operating Funds and All Governmental Funds basis.

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 occur 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, in State fiscal years when a gubernatorial election occurs, 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 OSC and the State Office of the Attorney General. 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.

References to a website or 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 AIS for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, and DOB has not undertaken any independent verification of the information contained on such websites.

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, 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, 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 2026 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, 2026 is expected to be completed by July 28, 2026. 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, 2026. These reports will contain the final FY 2026 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 2025 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

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Significant Budgetary and Accounting Practices

Unless clearly noted otherwise, all financial information is presented on a cash basis.[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 Agency 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 tax collections, and all receipts not earmarked for a specified program or activity. Tax receipts and the General Fund balance are affected by the Pass-Through Entity Tax (PTET). DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State. In December 2021, electing entities began making estimated PTET payments that were classified as business taxes and set aside entirely in FY 2022 to offset the decrease in Personal Income Tax (PIT) receipts in future years. The reserve balance established at the inception of the program has and is expected to cover the difference between PTET collections and related PIT credits each fiscal year. The presentation and discussion of tax receipts throughout the Financial Plan excludes the impact of PTET, unless otherwise noted.

State law requires the General Fund to end each fiscal year in balance, and directs the Governor to submit, and the Legislature to enact, a General Fund Budget that is balanced on a cash basis of accounting for the upcoming fiscal year. 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 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.

[2] State Finance Law also requires the DOB to prepare a pro forma Financial Plan using GAAP to the extent practicable. 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-basis Financial Plan conforms fully to GAAP principles or standards.

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

Projections for future fiscal years often show budget gaps 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. General Fund projections are based on numerous 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 uncertain or speculative information (e.g., the pace at which a new program will enroll recipients). Financial Plan projections made on a multi-year basis generally assume that money appropriated in one fiscal year will continue to be appropriated in future years, even for programs that were not created permanently in 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.

At times, DOB will informally designate unrestricted balances in the General Fund for specific fiscal and/or policy goals (e.g., reserve for economic uncertainties; reserve for resource management; reserve for future operational needs). 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.

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, and the Lottery Fund. Therefore, General Fund projections account for any estimated funding shortfalls and/or surpluses in these funds. Since the General Fund is required by law to be balanced for the upcoming fiscal year, the focus of the State’s budgetary and gap-closing discussion in the Financial Plan is generally focused on the General Fund.

State Operating Funds is a broader measure of operational spending (as distinct from capital purposes) supported by State resources, including funds received outside of the General Fund that provide a funding offset and/or surpluses to the General Fund as described above. The State Operating Funds perspective 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 two largest programs (Medicaid and School Aid) from both the General Fund and State Special Revenue Funds. The State Operating Funds perspective captures disbursements from both the General Fund and State Special Revenue Funds, giving a more complete accounting of State-funded disbursements for these large programs. Accordingly, Financial Plan projections often emphasize the State Operating Funds perspective.

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 terms “actual”, or “actuals”, or “results” are used throughout the Financial Plan and this AIS to mean year-to-date or full year unaudited data and (i) prior to the release of audited financial statements by OSC on or before July 29 of each year, year-end actual but unaudited data, or (ii) after the release of audited financial statements by OSC, year-end actual audited data.

Differences may occur between DOB and OSC financial reports in presentation and reporting of receipts and disbursements. For example, DOB may reflect a net disbursement amount while OSC may report the gross disbursement amount. 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).

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FINANCIAL PLAN OVERVIEW

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FINANCIAL PLAN AT-A-GLANCE: KEY MEASURES (millions of dollars)			
	FY 2025 Actuals	FY 2026 Actuals	FY 2027 Projected
State Operating Funds Disbursements			
Size of Budget	$133,654	$148,810	$161,127
Annual Growth	4.0%	11.3%	8.3%
Other Disbursement Measures			
General Fund (Including Transfers)	$108,676	$124,503	$128,792
Annual Growth	8.5%	14.6%	3.4%
Capital Budget (State and Federal)	$16,975	$17,894	$21,460
Annual Growth	15.4%	5.4%	19.9%
Federal Operating Aid	$90,842	$92,247	$94,433
Annual Growth	-0.9%	1.5%	2.4%
All Funds	$241,471	$258,951	$277,020
Annual Growth	2.8%	7.2%	7.0%
Inflation (CPI)	2.8%	2.7%	3.9%
All Funds Receipts[1]			
Taxes	$114,031	$126,433	$131,106
Annual Growth	6.9%	10.9%	3.7%
Miscellaneous Receipts	$34,761	$40,590	$41,460
Annual Growth	3.0%	16.8%	2.1%
Federal Receipts (Operating and Capital)	$96,713	$98,900	$98,027
Annual Growth	2.6%	2.3%	-0.9%
Total All Funds Receipts	$245,505	$265,923	$270,593
Annual Growth	4.6%	8.3%	1.8%
General Fund Cash Balance	$56,916	$56,178	$54,558
Principal Reserves	$21,603	$15,103	$15,103
Timing of PTET/PIT Credits	$17,618	$20,700	$20,956
Extraordinary Monetary Settlements	$732	$692	$125
All Other	$16,963	$19,683	$18,374
State Workforce (FTEs)			
Executive	112,952	115,694	125,062
University Systems	62,947	64,111	64,614
Independent Agencies	4,704	4,928	5,284
Debt			
Debt Service (Excluding Prepayments) as % All Funds Receipts	2.5%	2.4%	2.5%
State-Related Debt Outstanding	$55,881	$60,329	$69,343
Debt Outstanding as % Personal Income	3.3%	3.4%	3.7%

[1] The Financial Plan impact of the PTET program is expected to be revenue neutral for the State and is excluded from tax receipts herein, unless otherwise noted. Tax receipts and total receipts exclude one-time payments to qualified New York tax filers in FY 2026 for inflation tax refunds($2 billion) and in FY 2027 for energy rebates ($1 billion).

Financial Plan Overview

Five years ago, the State was grappling with a pandemic-induced recession that it responded to by delaying planned tax cuts and substantially reducing agency operating budgets. At that time, the Retiree Health Benefit Trust Fund (RHBTF) was unfunded, and the State had $2.5 billion in the Rainy Day Reserves. Since then, the State's fiscal conditions have improved significantly as the economy has recovered, and prudent fiscal management of resources has substantially bolstered reserves.

Principal Reserves[4] now total $15.1 billion. The State has completed three of four planned deposits into the Rainy Day Reserve Fund, which shifts reserves from discretionary status into the statutorily protected Rainy Day Reserve to achieve a balance of $10 billion in FY 2028, consistent with the commitment made in January 2025. Long-term liquidity has been preserved through continued prepayments of future debt and pension costs; setting aside funds to support future costs, including nearly $2 billion set aside in the RHBTF; and the continued use of Pay-As-You-Go (PAYGO) funds to support capital projects, which avoids costly debt. The State also assisted New York employers by repaying the Federal unemployment loan incurred during the pandemic and set the Metropolitan Transportation Authority (MTA) on solid financial footing by providing resources to support their $68 billion 5-year capital program and securing $1.5 billion in new casino license revenue.

At the same time the State has increased reserves and maintained a manageable debt burden, it has also supported affordability through refund and rebate checks, lowered middle-class taxes and increased tax credits, enhanced pension benefits for certain public employees, and made new investments and increased funding across most program areas. Over the past five years, funding increases have resulted in the full funding of Foundation Aid to schools; expanding access to mental health services, child care, and housing; addressing gun crime and violence; aiding distressed hospitals and other health care providers and workers, including increased wages for home care workers; increasing support for the State University of New York (SUNY) and the City University of New York (CUNY); ensuring abortion access; providing free school meals for all students regardless of income; protecting the environment and natural resources; supporting hunger prevention and nutrition assistance programs; creating a first-time homebuyers down payment assistance program; and funding free community college for students ages 25 to 55 pursuing certain first-time associate degrees in high-demand occupations, including nursing, teaching, technology, and engineering.

The FY 2027 Enacted Budget provides further affordability support, pension benefit enhancements, and increases funding across nearly all programs, with significant new investments in child care; assistance for the City of New York (NYC), other major cities, and counties; immigration protection and services; underserved communities and civic programs; supported housing; schools; SUNY and CUNY; and increased support for health care providers.

[4] DOB defines "Principal Reserves" as consisting of the two statutory "Rainy Day" reserves (the Tax Stabilization Reserve and the Rainy Day Reserve) and the portion of the General Fund balance informally designated as the reserve for economic uncertainties.

The increases in reserves and new investments made over the past five years have been largely supported by tax receipts, which have grown on average by nearly 9 percent annually from FY 2021 levels[5] and outpaced expectations. Last year, tax rates for high-income tax filers were extended for five years through tax year 2032, and the State continues to benefit from growing PIT collections, primarily driven by finance and insurance bonuses. In the FY 2027 Enacted Budget, the 7.25 percent top corporate tax rate was extended for three years through tax year 2029, resulting in increased revenue for the State and the MTA. New York has the third-highest top PIT rate among states at 10.9 percent. In NYC, the combined top PIT rate of 14.776 percent is the highest in the nation. Likewise, NYC-based businesses face the highest State and local combined top corporate tax rate in the nation at nearly 17.5 percent.

Tax receipts support roughly 80 percent of State Operating Funds spending and are expected to grow on average 3 percent over the multi-year Financial Plan period, consistent with a stable economic outlook, continued stock market strength fueled by expected growth in the technology sector, and slower than expected tariff impacts. However, the State continues to face headwinds related to ongoing economic risks and fiscal challenges, in part stemming from global conflicts and changing Federal policies. A softening labor market, inflationary cost pressures, and the inherent risk of stock market concentration in large technology companies could lead to economic slowdowns. New York is particularly vulnerable to shifts in monetary policy and fluctuations in financial markets that could disrupt the multi-year Financial Plan estimates. Other challenges that exacerbate fiscal risks and uncertainty include the ongoing implications of sustained trends of elevated enrollment in social safety net programs and rising costs in public health insurance programs.

Considering these uncertainties and risks, the Enacted Budget maintains Principal Reserves to protect essential services in the event of an economic downturn or other future fiscal challenges, as well as other reserves for dedicated purposes to manage future costs and known risks to the Financial Plan. In addition to reserves available to manage risks, the Enacted Budget includes legislation that grants the Budget Director the authority to reduce appropriations and disbursements by any amount needed to restore budget balance if an imbalance of $2 billion or more is anticipated.

Summary of Financial Plan Revisions

The Financial Plan reflects the FY 2027 Enacted Budget bills and accompanying legislation, resulting in an additional $4.2 billion in FY 2027 General Fund costs above the Executive Budget, inclusive of restorations of proposed savings actions. More than half of the additions are one-time only and do not increase costs beyond FY 2027. The Financial Plan also includes revisions to the projections of receipts and spending in all years based on a complete review of FY 2026 results[6], updated economic forecasts and data, management of resources across fiscal years, adjustments to programmatic assumptions, and other new information.

[5] All Funds tax receipts, excluding PTET and the one-time payment of $2 billion inflation tax refunds to qualified New York tax filers, increased by over $44 billion from $82 billion in FY 2021 to $126 billion in FY 2026.

[6] See FY 2026 Year-End Results herein for a complete summary of FY 2026 results.

DOB estimates that the FY 2027 Enacted Budget enacted by the Legislature and approved by the Governor is balanced in FY 2027, as required by law. Resources available at the close of FY 2026 and carried forward to FY 2027, savings from debt management, and receipts and resources available in other funds, are sufficient to offset negotiated budget additions and other revisions.

The outyear budget gaps have been revised to reflect the impact of recurring additions and baseline revisions and are projected to be roughly $3.8 billion higher in total across all years compared to the Executive Budget proposal. The outyear budget gaps are estimated at $6.4 billion in FY 2028, $10.5 billion in FY 2029, and $14.7 billion in FY 2030. The State manages projected General Fund budget gaps with conservative estimates of receipts and spending, the use of prior year resources, including the prepayment of future obligations (e.g., debt service and pension costs), and reserves for transaction risks and other adverse events. These outyear budget gaps will be addressed in future years, consistent with the requirement that adopted budgets be balanced in the General Fund.

The State is actively negotiating with labor unions and has reached a tentative agreement with one of the largest State employee unions – the Civil Service Employees Association (CSEA), which represents roughly 30 percent of the total State workforce. The tentative five-year agreement provides general salary and other compensation increases for the period of April 1, 2026 through March 31, 2031, and includes negotiated health insurance savings that partly offset the cost of salary increases and other payments. The 5-year total cost of the tentative agreement is estimated at $2.9 billion. A similar tentative agreement was also reached with United University Professions (UUP), representing the faculty and professional staff of the SUNY system.

On June 11, 2026, the Public Employees Federation (PEF) reached a tentative collective bargaining agreement with the State. The tentative five-year agreement provides general salary, and other compensation increases for the period of April 1, 2026 through March 31, 2031, and includes negotiated health insurance savings that partly offset the cost of salary increases and other payments. The 5-year total cost of the tentative agreement is estimated at $4.3 billion.

The Executive Budget included $300 million in recurring annual savings across all Executive agencies that was expected to be achieved from ongoing efforts to reduce operational spending. The planned $300 million in savings has been removed in the Enacted Budget Financial Plan in consideration of salary increases included in tentative State labor agreements. Consistent with past practice, agencies will be expected to fund the cost of salary increases within existing operational budgets. Total State Operations spending statewide is estimated to increase 9.4 percent in FY 2027 and is expected to be sufficient to fund salary increases. Pending union member ratification, any additional multi-year Financial Plan costs will be reflected in future quarterly updates, as needed.

FY 2027 Enacted Budget

The Governor submitted the FY 2027 Executive Budget to the Legislature on January 20, 2026, and the 30-Day amendments to the Executive Budget on February 20, 2026.

On March 26, 2026, the Legislature enacted the annual debt service appropriations, without amendment, in advance of the new fiscal year that began on April 1, 2026. On May 28, 2026, the Legislature completed final action on the budget bills and delivered the bills to the Governor. The Governor completed her review of the budget bills on June 9, 2026. The Legislative session concluded on June 5, 2026, and DOB does not anticipate any legislation with significant fiscal impacts will be approved by the Governor.

The Enacted Budget continues support for prior investments, increases spending for nearly all program areas and includes key elements of the Governor's proposals advanced in her Executive Budget, as well as new investments and assistance. The Enacted Budget delivers $1 billion back to New Yorkers through Energy Rebate payments, or POWER Checks, to qualified tax filers, extends the top corporate tax rate for three years through tax year 2029, amends State business tax provisions related to certain provisions of House of Representatives Bill 1 (H.R. 1), simplifies and enhances the Child and Dependent Care credit to make it more progressive and exempts tip earnings up to $25,000 from PIT subject to income caps. The Enacted Budget also increases or extends several other tax credits.

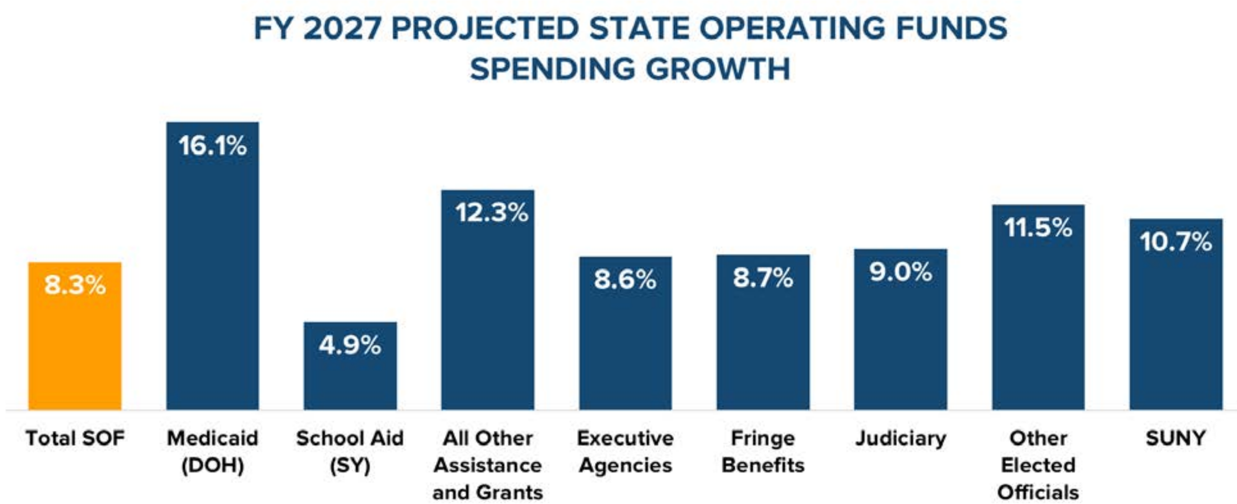
The Enacted Budget provides new investments for child care assistance through additional funding for existing subsidies, Universal Pre-K statewide expansion, support to NYC for 3-K and a new 2-Care NYC program, the creation of child care pilot programs in select counties, new friendly zoning initiatives to increase child care capacity, and a more progressive Child and Dependent Care Credit. The Enacted Budget also provides additional funding to support NYC and other large municipalities, schools, hospitals, nursing homes, clinics, and mental health care providers. Other increased State spending will enhance public safety, including continued State assistance to NYC for subway safety law enforcement; fund a 2.7 percent targeted inflationary increase for certain eligible programs; provide recurring support for hunger prevention and nutrition assistance; increase operating aid for SUNY and CUNY campuses; invest in services for the aging; fund an additional year of the Homeowner Protection Program; provide tariff relief to farmers throughout the State of New York; ensure the Medical Indemnity Fund (MIF) remains operational through FY 2027; and enhance pension benefits for employees hired after 2012.

The Enacted Budget also includes $9 billion in new capital funding commitments to support environmental and clean energy initiatives, transportation, clean water, affordable and supportive housing, economic and community development, safety net health care, public safety, and higher education. Both existing and new capital commitments in the Enacted Budget are funded not only with bonds but also with additional dedicated cash resources to ensure the State’s debt burden remains affordable.

Enacted Budget Spending Summary

The Enacted Budget is estimated to drive All Governmental Funds spending to $277 billion in FY 2027, an increase of $18.1 billion or 7.0 percent compared to FY 2026 results.

State Operating Funds spending in FY 2027 is projected to total $161.1 billion, an increase of $12.3 billion or 8.3 percent compared to FY 2026 results. Roughly 60 percent of the annual spending increase supports the State's two largest assistance and grants programs – Medicaid and School Aid.



Medicaid spending growth is driven by increased minimum wage costs, medical cost increases, enrollment levels, benefit expansions, higher reimbursement rates, escalating drug prices, utilization of high-cost drugs, and continued growth in aging and high utilization populations. The growth is also impacted by spending increases related to the temporary Managed Care Organization (MCO) assessment and Health Care Stability Fund investments that decline in the later years of the multi-year Financial Plan.

School Aid growth is driven by the continued full funding of the Foundation Aid formula, as well as the cost of providing districts with a 2 percent minimum increase in Foundation Aid. School Aid growth also includes the cost of increased aid for Universal Prekindergarten programs for four-year-old children and for three-year-old children in NYC (3-K).

Other Assistance and Grants spending growth includes the expansion of child care subsidies, support for a new 2-Care NYC program, and a child care pilot program in select counties. Other significant increases include operating aid for CUNY senior colleges, investments in SUNY and CUNY community colleges, tuition assistance, mass transit, increased utilization levels in mental hygiene programs, inflationary increases for human service providers, and assistance to NYC and other municipalities.

Executive agencies' operational growth reflects various staffing increases, annual incremental pay increases, general operating expenses, administrative costs related to Federal policy changes, continued investments in cybersecurity, Information Technology (IT) system modernization, and improved data collection and management efforts.

Fringe benefits spending growth, which includes the Judiciary and SUNY State-operated campuses, includes expected increases of 20.1 percent for pension costs, 7.0 percent for health insurance, and 3.4 percent for workers' compensation. Higher pension obligations reflect prior year market losses, several benefit enhancements enacted over the past five years that increased employer contribution rates, and FY 2027 Enacted Budget legislation that further increases State pension costs. Health insurance cost increases are attributable to medical inflation and the escalating cost of prescription drugs, including the increased utilization of costly GLP-1 drugs, and out-of-network services. Increases in other fringe benefits are attributable to higher employer payroll taxes due to the continued growth in the State workforce.

The Judiciary independently submits appropriation bills that are not subject to Executive modification but may be amended by the Legislature. The Enacted Budget reflects the increased operating spending requests submitted by the Judiciary to support non-judicial staffing increases, four court officer academies, collective bargaining agreements, overtime costs, and various new investments.

Offices of independently elected officials include operating spending increases of 11.5 percent for the Attorney General, 9.6 percent for the Comptroller, and 13.1 percent for the Legislature. The growth is expected to accommodate increased salary and staffing levels and the cost of technological investments at OSC. Beginning in FY 2027, funding for the Attorney General is also increased by $4.5 million annually to support the new Immigration Trust Office.

SUNY spending increases reflect escalating staffing levels and salary increases, overtime, and operating costs for three hospitals. SUNY spending is supported by tuition, hospital income, fees, and State resources. In FY 2027, the State will provide an estimated $5.2 billion in support to SUNY four-year campuses, inclusive of $2 billion in General Fund operating transfers, $2 billion for fringe benefit costs[7] of employees at SUNY State-operated campuses, $606 million for community colleges and other grants, and $617 million for debt costs to support a substantial share of bond-financed capital projects. State Medicaid funding for SUNY is estimated at $456 million, and SUNY Downstate Hospital will also receive $130 million in additional State support in FY 2027.

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[7] This fringe benefits spending is excluded from SUNY operational spending and reported as General Fund fringe benefit spending.

General Fund Changes

The following table summarizes revisions to the Executive Budget Financial Plan due to negotiated changes to the FY 2027 Executive Budget proposal, the impact of FY 2026 year-end results and delays, baseline revisions to receipts and spending estimates, and available resources, including surplus funds, carried forward from FY 2026.

FY 2027 GENERAL FUND FINANCIAL PLAN
REVISIONS TO EXECUTIVE BUDGET ESTIMATES: SAVINGS/(COSTS)
(millions of dollars)

	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(6,090)**	**(9,024)**	**(12,758)**
Negotiated Changes	**(4,178)**	**(1,714)**	**(1,798)**	**(1,474)**
Spending Adds/Restorations	(3,071)	(1,633)	(1,717)	(1,461)
Recurring	(1,441)	(1,251)	(1,321)	(1,060)
Restorations/Modifications	(358)	(371)	(396)	(401)
Non-Recurring	(1,272)	(11)	0	0
Receipts Adds/Modifications	(1,107)	(81)	(81)	(13)
Resource and Forecast Revisions	**4,178**	**1,415**	**296**	**(509)**
Receipts/Transfers From Other Funds	1,410	447	(160)	41
Prior-Year Resources Carry Forward	950	0	0	0
Debt Service Management	500	1,500	0	0
All Other	1,318	(532)	456	(550)
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(6,389)**	**(10,526)**	**(14,741)**

Compared to the Executive Budget, the Enacted Budget includes $3.1 billion in additional General Fund spending and $1 billion for POWER Checks for qualified tax filers. The recurring costs of additions and restorations increase costs in the next two years in the range of $1.7 billion each year and drop to just under $1.5 billion by FY 2030. The largest recurring costs are attributable to increased funding for School Aid; enhanced pension benefits; an additional 1.0 percent for the targeted inflationary increase for certain eligible programs, increasing from a proposed 1.7 percent to 2.7 percent; increased support for SUNY and CUNY; assistance to the NYC and other large municipalities through FY 2029; and debt service costs related to bond financing of new capital projects.

The restoration (i.e., rejection) and modification of numerous Executive proposals includes various Medicaid and public health savings proposals, as well as the Legislature's perennial rejection of the Executive proposals to provide significant relief for local governments and lower State taxpayer-supported costs by lowering interest charged on judgments against the State and local governments from as high as 9 percent (currently authorized) to a fair market-based interest rate and proposed cost-sharing of Medicare premiums for high earning retirees. Additional one-time spending that was agreed to through negotiations with the Legislature includes: $500 million to assist distressed hospitals; $308 million in additional assistance to NYC related to retroactive funding for the city fiscal year that began on July 1, 2025 for youth programs, public health care reimbursements, and a sales tax intercept for distressed providers; $90 million for the Underserved Communities and Civic Engagement Program, which supports community-based programming, crisis intervention initiatives, housing assistance, economic development, workforce training, educational initiatives, and health care services in underserved communities; $70 million for SUNY debt service forgiveness; county public safety assistance; and targeted funding to various organizations, associations and groups.

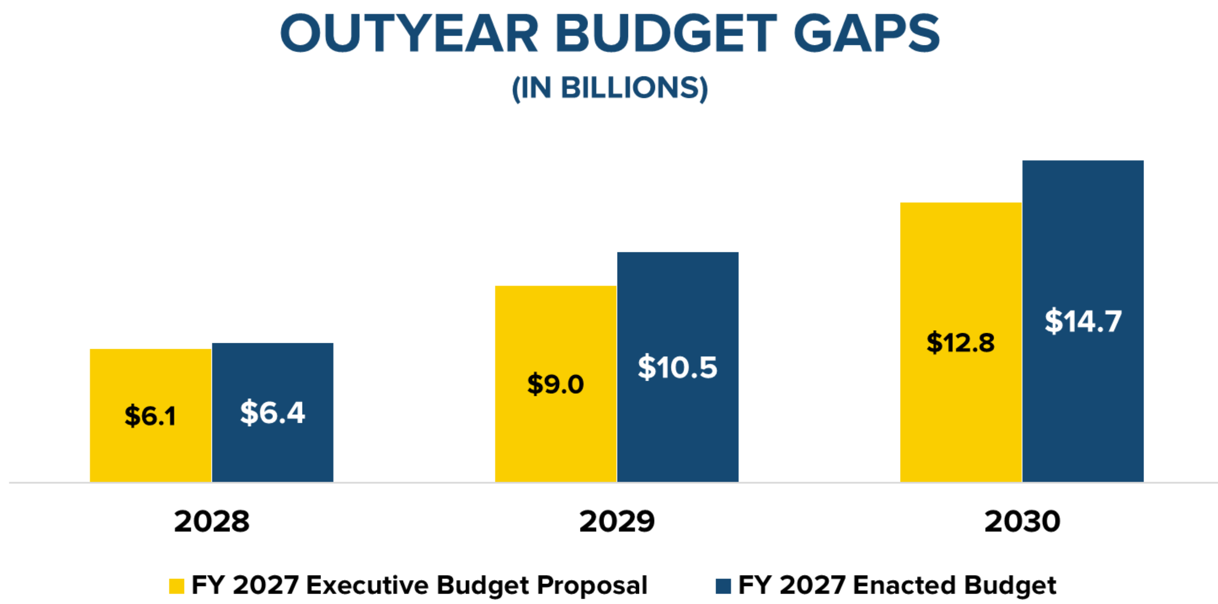
In addition, the Enacted Budget includes the authorization of temporary additional vendor fees for certain Video Lottery Terminal (VLT) facilities. The change reduces State receipts that are available to fund School Aid, shifting the costs to the General Fund.

A detailed table of the negotiated additions to the Executive Budget appears at the end of the section entitled "General Fund Financial Plan."

Resource and forecast revisions include adjustments to baseline receipts and spending forecasts, timing related changes, and management of resources across multiple years, including the use of surplus resources accumulated in prior years, prepayments and advances.

Outyear Budget Gaps

The cumulative outyear budget gaps are roughly $3.8 billion higher than proposed in the FY 2027 Executive Budget, which is driven mainly by the recurring negotiated additions in the Enacted Budget and baseline revisions to annual estimates of receipts, spending, and the use of prior year resources.



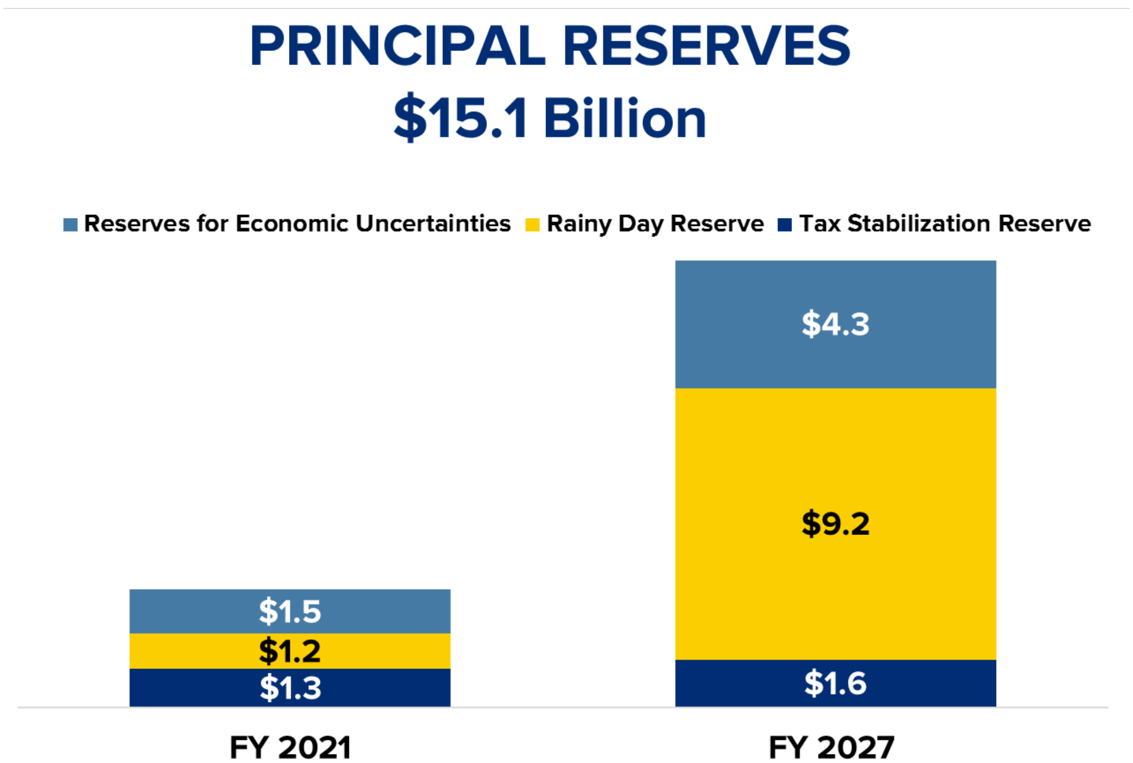
The outyear budget gaps are the result of a structural imbalance between forecasted levels of growth in spending and available resources, inclusive of a $3 billion transaction risk reserve in each year. The projected budget gaps do not reflect the use of any Principal Reserves to balance operations but do include the use of prior year surpluses carried forward into future years and cautious estimates of disbursements, a practice that provides protection against potential receipts shortfalls and unanticipated costs that may materialize within a fiscal year.

Tax receipts are projected to grow 2.9 percent on average through FY 2030, compared to the 4.5 percent growth experienced over the past two decades. Tax receipts support roughly 80 percent of State Operating Funds spending, which is projected to increase by 5.4 percent on average through FY 2030. Roughly half of the State Operating Funds budget supports the State's two largest program areas – health care and education – which have grown substantially over the past several years, reflecting historic, recurring funding increases for schools and the health care system.

Reserves and Risks

The Financial Plan faces ongoing economic risks, including slowing economic growth; continued price inflation; geopolitical uncertainties; climate change and natural disasters; programmatic cost pressures; uncertainty about the fiscal conditions of outside entities relying on State assistance; risks due to the State's dependence on Federal funding and approvals; and possible Federal policy changes. While the DOB forecast of receipts and spending is primarily based on current law and reasonable assumptions as of the time it was prepared, economic uncertainties and the dependence of the State's tax base on the financial sector are embedded risks.

Reserves are the most practical and effective defense against such unpredictable risks. Outside experts view robust reserves as an essential tool for mitigating service reductions and public employee layoffs during periods of slow or declining growth. During a "typical" recession, declines in receipts could be significant, and DOB estimates that tax receipts can be expected to fall between $35 billion and $50 billion over three years in a recession that resembles those experienced after September 11th and during the Great Recession of 2008. This risk has been heightened by the increased tax rates and greater concentration of tax liability among high-income taxpayers relative to the last substantial economic downturn.



Over the past several years, the State has significantly increased reserves to limit adverse exposure and preserve resources to honor its commitments during difficult times. The FY 2027 Enacted Budget preserves these reserves and reflects the final shift of funds from the Reserve for Economic Uncertainties into the statutory Rainy Day Reserve to reach $10 billion in FY 2028.

State Spending

Spending growth is largely driven by the Medicaid program, School Aid, child care expansion, assistance to NYC and other municipalities, and mental health funding.

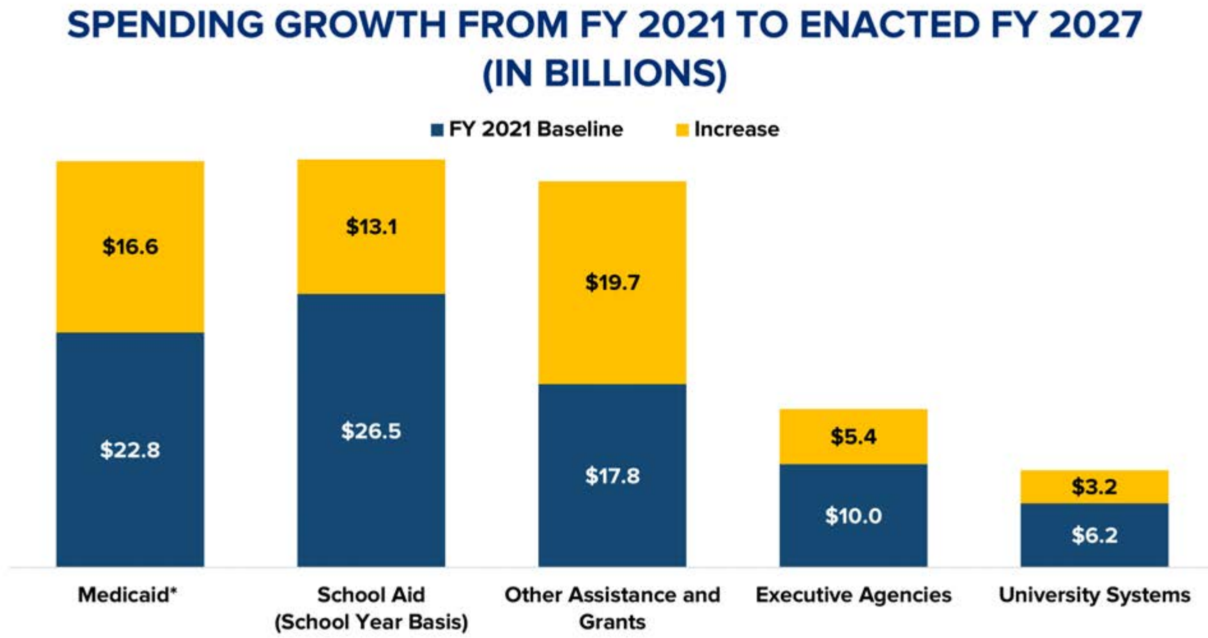
FY 2027 ENACTED BUDGET
SPENDING ESTIMATES
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	$ Change	% Change
State Operating Funds	**148,810**	**161,127**	**12,317**	**8.3%**
Medicaid	33,984	39,443	5,459	16.1%
School Aid (School Year Basis)	37,775	39,635	1,860	4.9%
All Other Assistance and Grants	33,410	37,521	4,111	12.3%
Agency Operations	37,891	41,353	3,462	9.1%
Debt Service	5,750	3,175	(2,575)	-44.8%
Federal Operating	**92,247**	**94,433**	**2,186**	**2.4%**
Capital Projects	**17,894**	**21,460**	**3,566**	**19.9%**
All Funds	**258,951**	**277,020**	**18,069**	**7.0%**

Under the current gubernatorial administration, the State has made historic investments in numerous program areas, including: fully funding Foundation Aid to schools; expanding access to mental health services, child care, and housing; providing assistance to distressed hospitals; increasing wages for health care and social service providers and workers; increasing the minimum wage; supporting health care delivery improvements; increasing support for SUNY and CUNY; addressing gun crime and violence; expanding access to school meals; protecting the environment; and improving energy affordability.

These investments and new funding increases included in the FY 2027 Enacted Budget have increased spending for assistance and grants in FY 2027 by nearly $50 billion compared to the $67 billion[8] level recorded in FY 2021. Agency spending has also increased due to growing investments, staffing levels, rising fringe benefits expenses, and operational costs. More than half of the growth is concentrated in Medicaid and School Aid, reflecting historic, recurring funding increases for the health care system and schools. New York continues to invest significantly more in these two programs than any other state in the nation.

[8] FY 2021 reported State Operating Funds assistance and grants totaled $65 billion inclusive of a temporary Enhanced Federal Medical Assistance Percentage (eFMAP) that lowered State Medicaid spending and one-time payments delayed from FY 2020 due to the pandemic. Excluding these temporary spending impacts, baseline spending is calculated at $67 billion in FY 2021.



* Adjusted to exclude temporary eFMAP and the reclassification of the local share of OSA services not managed by DOH effective FY 2026

Medicaid. The New York State Medicaid Program provides health and long-term care coverage to lower-income children, pregnant women, adults, seniors, and people with disabilities. The Medicaid program also funds most of the State's home and personal care services and supports public and private hospitals and nursing homes through various supplemental programs. Medicaid spending continues to escalate as Medicaid utilization rises with an aging population, primarily for personal care, which includes the Nursing Home Transition and Diversion (NHTD) Waiver.

Over 6.5 million New Yorkers (32 percent) are currently covered by Medicaid. When combined with other public insurance coverage, such as Child Health Plus (CHP) and the Essential Plan (EP), New York has the highest percentage of people covered by publicly funded medical insurance in the nation, with a total of 8.7 million enrolled. The State also offers some of the most comprehensive and extensive Medicaid benefits in the nation, including optional services such as coverage for pharmacy and personal care services, which contribute to higher spending per capita of $4,775[9] compared to the $2,657 national average.

Medicaid costs are financed jointly by the Federal, State, and local governments. New York receives the minimum Federal Medicaid matching share of roughly 50 percent. Local districts' costs have been capped at calendar year 2015 levels, shifting the increased costs of the program to the State and saving NYC and counties billions of dollars annually. In FY 2027, local governments will save approximately $9.2 billion, with a cumulative total of nearly $63 billion saved since 2015. In FY 2027, Medicaid spending (excluding operational costs) is projected to total $39.4 billion, an increase of $5.5 billion (16.1 percent) from the revised FY 2026 levels. Over a quarter of the growth is related to the non-recurring spending associated with the MCO assessment. State spending for Medicaid has tripled over the past 15 years due to medical and drug cost increases, enrollment levels, expansion of benefits, increases to reimbursement rates, and continued growth in aging

[9] Based on U.S. Census Bureau data and the 2024 Centers for Medicare and Medicaid Services Financial Report, Expenditure Reports From MBES/CBES. Excludes District of Columbia.

and 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 home health wage increases, increased costs and enrollment growth in NHTD, and the needs of financially distressed hospitals.

School Aid. The State provides a substantial amount of financial support for public schools through State formula aids and grants. Approximately 2.4 million kindergarten through 12th grade students are currently enrolled in the State's public schools, including 191,000 students enrolled in charter schools, down from the most recent peak of roughly 2.8 million students in School Year (SY) 2000. For nearly two decades, New York has ranked first among states in per-pupil spending. In SY 2024, New York spent $31,918 per pupil, over 80 percent more than the national average of $17,619 per pupil[10] and approximately 11 percent higher than the second ranked state of Vermont.

The State completed the three-year phase-in for full funding of the Foundation Aid formula in SY 2024, which contributed substantially to the over $8.3 billion (28 percent) increase in State-funded School Aid between SY 2022 and SY 2026. In addition to State aid, school districts have continued to raise revenue through local property tax increases, which, when combined with State aid increases and Federal COVID-19 pandemic related assistance, have afforded many districts the ability to amass substantial reserves and surplus balances.

Adding to the historic funding increases over the past several years, the Enacted Budget provides $39.6 billion for School Aid in SY 2027, an increase of $1.9 billion (4.9 percent) from the prior year, inclusive of a $1.0 billion (3.9 percent) Foundation Aid increase.

[10] Based on U.S. Census Bureau, 2024 Annual Survey of School System Finances.

FY 2027 Enacted Budget General Fund Summary

FY 2027 ENACTED BUDGET FINANCIAL PLAN -- GENERAL FUND REVISIONS AND PROPOSALS
(millions of dollars)

	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
EXECUTIVE BUDGET BASE SURPLUS/(GAP) ESTIMATE	**2,476**	**(3,789)**	**(6,778)**	**(9,470)**
Tax Receipts	270	(275)	(217)	(169)
Non-Tax Receipts/Transfers	1,060	722	57	210
Debt Service	500	1,500	0	0
Spending/Other Resources	1,318	(532)	456	(550)
REVISED BASE SURPLUS/(GAP) ESTIMATE	**5,624**	**(2,374)**	**(6,482)**	**(9,979)**
Receipts	**1,362**	**1,958**	**2,231**	**1,227**
Tax Receipts	324	1,591	1,906	1,312
POWER Checks	(1,040)	0	0	0
Decouple from H.R. 1 Provisions	1,400	640	560	240
Extend Corporate Franchise Tax Rate	0	1,100	1,580	1,210
Eliminate Tax on Tipped Wages	(52)	(69)	(60)	(19)
NYC Musical & Theatrical Production Tax Credit	0	0	(100)	(50)
Child and Dependent Care Credit Reform	0	(64)	(64)	(64)
All Other	16	(16)	(10)	(5)
Debt Service	(31)	(100)	(183)	(293)
Other Receipts/Transfers	1,069	467	508	208
Disbursements	**(7,936)**	**(5,973)**	**(6,275)**	**(5,989)**
Assistance and Grants	(5,746)	(4,266)	(4,636)	(4,336)
Child Care Expansion	(1,684)	(2,516)	(2,711)	(2,788)
Aid to NYC	(1,243)	(671)	(671)	(510)
Local Government Assistance	(315)	(165)	(165)	0
Distressed Hospitals Funding	(500)	0	0	0
School Aid	(438)	(439)	(449)	(460)
Voluntary Providers Targeted Inflationary Increase	(280)	(280)	(280)	(280)
Higher Education	(158)	(261)	(260)	(260)
Medical Indemnity Fund	(104)	0	0	0
Supported Housing	(71)	(71)	(71)	(71)
All Other	(953)	137	(29)	33
Agency Operations, including GSCs	(874)	(761)	(753)	(734)
Executive Operations	(240)	(206)	(179)	(141)
Judiciary (Including Fringe Benefits)	(283)	(283)	(283)	(283)
Other Elected Officials	(41)	(41)	(41)	(41)
Pension Benefit Enhancements	(157)	(130)	(140)	(150)
NYC Special Accidental Death Benefit Reimbursement	(109)	(117)	(126)	(135)
Other Fringe Benefits	(44)	16	16	16
Transfers to Other Funds	(1,316)	(946)	(886)	(919)
Capital Projects	(286)	(234)	(178)	(212)
SUNY Operating	(171)	(209)	(203)	(203)
Healthcare Stability Fund	(750)	(500)	(500)	(500)
All Other	(109)	(3)	(5)	(4)
Prior Year Resources Carried Forward	**950**	**0**	**0**	**0**
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(6,389)**	**(10,526)**	**(14,741)**

The table above summarizes the baseline forecast changes followed by the impact of the Enacted Budget's investments and actions on General Fund operations, by financial plan category.

Baseline forecast revisions to multi-year receipts and spending estimates (before new investments and actions) from the FY 2026 third quarterly update included in the FY 2027 Executive Budget Financial Plan result in additional resources available to support Enacted Budget additions and restorations.

Projected tax receipts are increased in all years based on stronger sales and business tax collections. However, PIT estimated receipts are reduced annually by roughly $550 million beginning in FY 2028 due to the negative variance in the April settlement for tax year 2025, the updated economic forecast, and results to date. Non-tax receipts include higher investment income and license and fee revenue, as well as adjustments to transfers from other funds based on available resources. The upward adjustments to transfers also include delayed transfers (e.g., Gaming due to ongoing negotiations with the Seneca Nation to extend the Tribal State Compact), and additional Federal Emergency Management Agency (FEMA) reimbursements for COVID-19 related spending in prior years. Tax receipts are also impacted by changes in debt service costs, including additional debt service payments, and savings from ongoing debt management and capital financing needs.

Spending estimates (before negotiated additions) and the utilization of surplus resources accumulated in prior years have been revised across all years based on FY 2026 results, as well as updated information and data. In FY 2027, projected spending is lower due to timing related adjustments, the use of available resources, and lower than expected spending based on prior year results. Higher spending in the outyears includes increased costs for pensions, social services programs, School Aid, and continued staffing costs for correctional facilities. In addition, Medicaid spending is temporarily revised downward to reflect the reinstatement of the Basic Health Program (BHP) effective July 1, 2026, and the use of funds available in the EP Trust Fund to provide health care coverage to lawfully present individuals through December 31, 2028, which is consistent with Federal approvals and current regulations. The FY 2027 General Fund temporary savings are set aside in the current year and used to offset General Fund costs beginning in FY 2029 when the coverage for these individuals is expected to shift from the EP to the General Fund.

The General Fund impact of the **Enacted Budget investments and actions**, including Executive proposals that were agreed to in the Enacted Budget, are summarized below with an emphasis on the projected fiscal impact for the FY 2027 budget year.

The Enacted Budget Financial Plan includes the following tax law changes:

- **POWER Checks.** The Enacted Budget authorizes direct payments to approximately 8.2 million New York taxpayers statewide to help with energy affordability. Married joint filers with incomes up to $150,000 will receive $200 and joint filers with incomes between $150,000 and $300,000 will receive $150. Single filers who are not claimed as dependents of another filer with incomes up to $150,000 will receive $100. These payments reduce tax receipts and therefore are not reflected in spending.

- **Decouple from H.R. 1 Provisions.** The Enacted Budget decouples State business taxes from certain Federal tax provisions enacted in H.R. 1 to address policy concerns with the Federal legislation. Decoupled provisions include the amended tax treatment of research and experimental expenditures and the newly enacted immediate expensing of certain qualified production property provisions.

- **Extend Corporate Franchise Tax (CFT) Rate.** The FY 2027 Enacted Budget extends the 7.25 percent top corporate tax rate for certain business filers through tax year 2029.

- **Eliminate Tax on Tipped Wages.** The Enacted Budget eliminates State income tax on up to $25,000 per year in tipped wages, for single filers earning up to $150,000 and joint filers earning up to $300,000, beginning in tax year 2026, which reduces tax receipts.

- **NYC Musical and Theatrical Production Tax Credit.** The New York City Musical and Theatrical Production Credit is enhanced by increasing the aggregate amount available under the program by $150 million for productions with initial performances on or after December 1, 2025.

- **Child and Dependent Care Credit Reform.** The Child and Dependent Care credit is decoupled from the Federal credit. In addition, the credit computation has been simplified by implementing a single, consistent sliding scale and the overall benefit has been enhanced, leading to a more progressive credit structure.

- **Other Tax Actions.** Other changes include allowing Investment Tax Credit refundability for farmers; imposing a tax on alternative nicotine products; modifying the Sales Tax Vendor Registration Program; and extending various credits and exemptions, including the Sales Tax vending machine and alternative fuels exemptions; and the Commercial Security Tax Credit.

Other non-tax receipts include costs of bond financing for capital additions included in the Enacted Budget and increased miscellaneous receipts transfers from other funds mainly consistent with the revisions included in the Executive Budget Financial Plan.

Assistance and Grants. General Fund spending for assistance and grants is increased from the baseline update in the aggregate over the multi-year Financial Plan mainly due to new investments and initiatives, and increased funding for existing programs.

- **Child Care Expansion.** The Enacted Budget includes several actions to make child care more affordable. These actions include increasing existing subsidies, expanding universal pre-K statewide, supporting a 3-K expansion in NYC, and establishing a 2-Care NYC program. In addition, child care pilot programs are created in select counties, as well as new friendly zoning initiatives to increase child care capacity.

- **Aid to NYC.** General Fund spending is increased to reflect additional State support to NYC including one-time assistance totaling $500 million in FY 2027. The State will also provide $300 million annually in new support for youth diversion programs, $150 million annually related to the elimination of the interception of NYC sales tax receipts used to fund NYC distressed providers, and roughly $60 million annually for an increase in the State's General Public Health Work (GPHW) reimbursement rate to 36 percent, consistent with all other counties, which includes funding for the City Fiscal Year 2026 that began on July 1, 2025. Another $161 million for 3 years is included for NYC as it works towards long-term fiscal stability. The Enacted Budget also extends funding to maintain an increased police presence in NYC's subway system. These increases raise the total State support provided to NYC to over $28 billion in FY 2027 – 50 percent higher than the level five years ago.

- **Local Government Assistance.** Outside of NYC, certain municipalities will also receive additional State assistance through FY 2029, including the cities of Albany, Buffalo, Rochester, Syracuse, Yonkers, and Mount Vernon. In addition, the Temporary Municipal Assistance program increased by $100 million in FY 2027, bringing total funding to $150 million.

- **Distressed Hospitals Funding.** The Enacted Budget includes additional operating support for financially distressed hospitals across the State.

- **School Aid.** Financial Plan projections for SY 2027 and beyond reflect updated data, as well as increases in Foundation Aid, resulting in School Aid growth of 4.9 percent over the prior year.

- **Voluntary Providers Targeted Inflationary Increase.** The Enacted Budget includes a 2.7 percent Targeted Inflationary Increase for eligible programs operated by voluntary providers of services for the Office for People with Developmental Disabilities (OPWDD), Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), Office of Children and Family Services (OCFS), Office of Temporary and Disability Assistance (OTDA), and the State Office for the Aging (SOFA). These funds provide fiscal relief to providers to address rising operating costs and enable them to offer more competitive wages for their staff.

- **Higher Education.** The Enacted Budget provides additional recurring operating aid for CUNY, funds to establish the New York Career Connect Initiative, and investments in community colleges, including expanding the New York State Opportunity Promise Scholarship program.

- **MIF.** One-time funding is included to support the financial solvency of the MIF program administered by DOH and keep enrollment open to new individuals who suffered birth-related neurological injuries because of medical malpractice during delivery through FY 2027.

- **All Other Assistance and Grants.** Funding is included for hundreds of organizations and associations, including the Underserved Communities and Civic Engagement Program, arts competitive grants, and county public safety assistance, as well as increased rates for OMH and OASAS residential programs, various services and programs for aging populations, the Hunger Prevention and Nutrition Assistance Programs, the Judiciary's Civil Legal Services Program, the Homeowner Protection Program, the Subway Co-response Outreach Program, upstate transit aid, and the Bolstering Biotech initiative.

The Enacted Budget also includes savings and certain cost shifts to partially fund these new commitments. Actions include extending the current funding structure for residential school placements of children with special needs outside NYC, utilizing available Mortgage Insurance Fund resources to fund rural rental assistance and housing preservation programs, and using Temporary Assistance for Needy Families (TANF) funding in FY 2028 to support increasing child care costs.

Agency Operations. Spending on operations, including wages and fringe benefits, is increased over the multi-year plan to accommodate growth in the State workforce, projected general salary increases, and expansion of services and new initiatives.

- **Executive Operations.** General Fund operational spending is increased to reflect added costs across several agencies to support staffing increases, administration of community engagement requirements for certain non-exempted Medicaid populations, Supplemental Nutrition Assistance Program (SNAP) administrative cost sharing increases because of H.R. 1, and continued support of various mental health programs. FY 2027 spending includes the recognition of an anticipated Federal fiscal penalty related to the SNAP quality control error rate that the State plans to pay on behalf of the local districts. Funding is also provided for the new Office of Child Care and Early Education, which is charged with overseeing and reviewing quality of care with the expansion of child care. Spending is also added in FY 2028 and FY 2029 to reflect continued costs related to the deployment of the National Guard to staff correctional facilities and expanded recruitment efforts.

- **Judiciary.** The Executive Budget must include without modification the appropriations submitted annually by the Judiciary, however the Legislature is authorized to amend the appropriation levels. The Enacted Budget reflects the spending levels as submitted by the Judiciary with no changes.

  The increased spending supports the cost of non-judicial staffing increases, four court officer academies, collective bargaining agreements, overtime costs, as well as various new investments. The Judiciary's budget includes funding for: the annualization of judgeships, statutorily required judicial pay increases, various technology initiatives, and costs associated with rent increases. New funding is also added to support increased Attorney for Child provider funding, enhancements to Family Court services, expansion of peer advocacy and court navigator programs, the creation of Mental Health parts in NYC's Family Court, the establishment of best practices training in youth and problem-solving courts, a new lab-based drug testing program, and the expansion of Housing Court Help Centers.

- **Other Elected Officials.** Operating spending increases for the OSC, Attorney General, and Legislature reflect staffing cost increases and rising operational costs. The Attorney General funding is also increased by $4.5 million annually to support the new Immigration Trust Office.

- **Pension Benefit Enhancements.** The FY 2027 Enacted Budget includes pension enhancements for employees hired since 2012 that lower certain required contribution rates, increase the allowed overtime pay in final benefit calculations, and reduce the retirement age eligibility requirement for teachers from 63 to 58 years of age. The cost of these benefit enhancements impacts pension costs for the State, school districts, and local governments. Other pension benefit enhancements allow New York State Correction Officers and Police Benevolent Association (NYSCOPBA) members to work beyond the date of eligible retirement with no risk of diminished pension benefits in the event death occurs while in active employment status.

- **NYC Special Accidental Death Benefit Reimbursement.** The Enacted Budget also includes additional support to NYC by increasing the State reimbursement to 50 percent of the costs for the Special Accidental Death Benefit for eligible beneficiaries of certain first responders who are killed in the line of duty.

- **Other Fringe Benefits.** The Enacted Budget also amends the New York State Surprise Bill Law to include the Empire Plan and amends the Plan's criteria used by arbitrators in the State's independent dispute resolution process to remove usual and customary charges from consideration and requires arbitrators to select the payment offer closest to the median in-network rate, absent extraordinary circumstances.

Transfers to Other Funds. Increased General Fund transfers to other funds support capital projects, debt service costs, State support for SUNY, and a variety of other programs.

- **Capital Projects.** The Enacted Budget increases transfers from the General Fund to capital projects funds to support capital initiatives, including the safety net transformation program, Jamaica rail station design, technology infrastructure, Second Avenue subway engineering, health and safety education building projects, and law enforcement technology grants.

- **SUNY Operating.** The State will provide additional recurring operating aid support to SUNY and support new programmatic initiatives.

- **Healthcare Stability Fund.** Transfers to the Healthcare Stability Fund (HSF), which are exempt from the Medicaid Global Cap limit, are estimated at $750 million in FY 2027 and $500 million annually thereafter. This funding is expected to support health care stabilization investments, including support for hospitals and nursing homes.

All Other Transfers. The Enacted Budget provides additional one-time funding for SUNY Downstate Hospital's operating costs in FY 2027, the Environmental Protection Fund (EPF), electronic health records for incarcerated people, and various other initiatives.

General Fund Financial Plan Overview

The State's General Fund receives most State taxes and other income not earmarked for a specified program or activity. The General Fund must end each fiscal year in balance and be projected to be in balance for the upcoming budget year with both the proposed Executive Budget and the Enacted Budget.

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. As such, State Operating Funds and All Funds provide a more comprehensive view of total tax receipts. Three significant factors impact General Fund tax receipts:

- 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. As such, prepayment of future debt service impacts General Fund tax receipts.

- The STAR program is funded from PIT receipts that are deposited into a fund held outside of the General Fund. Therefore, changes in the State-supported cost of the program affect reported and estimated PIT receipts.

- Tax receipts are affected by the PTET program, although DOB expects that PTET will, on a multi-year basis, be revenue neutral for the State. A reserve balance held for this purpose offsets the net impact on the General Fund annually, making the PTET program General Fund balance neutral. The table below and following discussion isolates the impact of PTET receipts. The operation of the PTET program is described in more detail under the heading "PTET Financial Plan Impact" at the end of this section.

General Fund disbursements represent a large portion of the total State Operating Funds spending and 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 conservative estimates of disbursements, a practice that provides a cushion for potential receipts shortfalls and unanticipated costs. Consequently, programmatic spending presented on a State Operating Funds basis is a more holistic view as the spending is partly supported by State resources received outside of the General Fund that provide a funding offset.

A comprehensive discussion of the multi-year projections of tax receipts and disbursements on a State Operating Funds and/or All Funds basis is presented in the "State Financial Plan Multi-Year Projections" section herein.

This section provides a summary of projected annual changes in General Fund receipts, disbursements, and fund balances.

GENERAL FUND FINANCIAL PLAN (millions of dollars)	FY 2026 Actuals	FY 2027 Projected	Annual Change $	Annual Change %
Opening Fund Balance	**56,916**	**56,178**	**(738)**	**-1.3%**
Total Receipts	**123,765**	**127,172**	**3,407**	**2.8%**
Receipts	120,683	126,916	6,233	5.2%
Taxes	111,222	119,179	7,957	7.2%
Miscellaneous Receipts	5,147	4,186	(961)	-18.7%
Federal Receipts	1	0	(1)	-100.0%
Non-Tax Transfers	4,313	3,551	(762)	-17.7%
PTET Receipts	3,082	256	(2,826)	-91.7%
PIT Credits	(17,044)	(19,734)	(2,690)	-15.8%
Business Taxes	20,126	19,990	(136)	-0.7%
Total Disbursements	**124,503**	**128,792**	**4,289**	**3.4%**
Assistance and Grants	83,005	90,803	7,798	9.4%
Agency Operations	25,848	28,374	2,526	9.8%
Transfers to Other Funds	15,650	9,615	(6,035)	-38.6%
Net Change in Operations	**(738)**	**(1,620)**	**(882)**	**-119.5%**
Closing Fund Balance	**56,178**	**54,558**	**(1,620)**	**-2.9%**
Statutory Reserves:				
Community Projects	25	25	0	
Contingency	21	21	0	
Rainy Day Funds	9,756	10,756	1,000	
Fund Balance Reserved for:				
Debt Management	1,000	1,000	0	
Economic Uncertainties	5,347	4,347	(1,000)	
Extraordinary Monetary Settlements	692	125	(567)	
Future Operational Needs	2,499	2,499	0	
Timing of PTET/PIT Credits	20,700	20,956	256	
Timing of Resource Management	16,138	14,829	(1,309)	

General Fund receipts are impacted by debt service prepayments, and taxpayer refunds and rebate checks. Excluding these payments, tax receipts are estimated to total $116.7 billion in FY 2027, an increase of $4.1 billion (3.6 percent) from the prior year. The growth is largely driven by higher PIT collections, sales tax receipts, and modest increases in business taxes tied to the impact of decoupling from certain Federal tax law changes. Other tax receipts are projected to decline due to variability in estate tax collections despite anticipated growth in real estate transfer taxes. Miscellaneous receipts are expected to decrease because of lower abandoned property and investment income associated with declining interest rates and fund balances. Non-Tax transfers are projected to decline in FY 2027 due to the continued practice of budgeting for a $2 billion transaction risk reserve that provides a hedge against risks to receipts and unanticipated costs that may materialize within a fiscal year. Excluding the risk reserve, transfers from other funds are higher, inclusive of available resources in other funds including interest earned on monies awarded under the SLFRF program and the HSF, partially offset by non-recurring FEMA reimbursement of previously incurred COVID-19 costs.

Excluding one-time transfers related to Federal unemployment loan repayment, General Fund spending, including transfers, is projected to increase by 9.1 percent in FY 2027, driven primarily by increased support for education, Medicaid, child care, NYC, Judiciary operations, and growing employee health insurance and pension costs. Higher spending on assistance and grants reflects expanded investments in child care programs, School Aid, health care services, housing and nutrition assistance, university systems, mental health initiatives, and support for local governments and underserved communities. Medicaid growth is largely tied to rising medical costs, program expansions, reimbursement increases, and healthcare stabilization efforts, while School Aid growth includes increased Foundation Aid and enhanced Universal Prekindergarten, which increases the per-pupil funding for each district to the higher of $10,000 or their current selected Foundation Aid per-pupil amount. Operational spending growth includes increasing workforce costs, contract nursing, SNAP administration, and various public service initiatives. Judiciary spending growth supports staffing, technology, court operations, and expanded legal and family court services. Transfers to other funds are projected to increase modestly, mainly to support healthcare stabilization initiatives and campaign finance programs, along with timing of general operating aid for SUNY four-year campuses and capital reimbursements.

The General Fund closing balance is comprised of Principal Reserves to protect essential services in the event of a significant economic downturn and other reserves that are set aside to reduce outyear gaps, manage risks, and support future costs that include tax refunds and liabilities, capital projects, and operational needs.

The General Fund balance at the end of FY 2027 is expected to decline by roughly $3 billion from the prior year due mainly to the planned use of resources to fund operational costs, including delayed spending from FY 2026, and existing capital commitments and projects from extraordinary monetary settlements reserves, as well as fluctuations in the timing of PTET related payments and credits. In addition, another $1 billion transfer is planned in FY 2027 to move funds from the discretionary reserve to achieve a $10 billion balance in the Rainy Day Reserve by FY 2028.

The following table summarizes the negotiated changes to the FY 2027 Executive Budget proposal.

NEGOTIATED CHANGES TO THE EXECUTIVE BUDGET FINANCIAL PLAN (millions of dollars)				
	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
GENERAL FUND RESTORATIONS/ADDS	**4,178**	**1,714**	**1,798**	**1,474**
Spending Restorations/Adds	**3,071**	**1,633**	**1,717**	**1,461**
New Spending Adds:	2,713	1,262	1,321	1,060
Distressed Hospital Assistance	500	0	0	0
School Aid	400	386	396	405
Aid to the City of New York (July 1, 2025 March 31, 2026)	308	161	161	0
Pension Benefit Enhancements	157	131	140	150
Aid to Certain Cities	115	165	165	0
City of New York Uniformed Officer Line of Duty Death Benefit	109	117	126	136
Human Services Targeted Inflationary Increase +1%	104	104	104	104
Community Engagement and Capacity Building Program	90	0	0	0
SUNY Hospital Debt Service Forgiveness	70	0	0	0
SUNY/CUNY Operating/Community College Assistance	61	69	66	64
County Public Safety Preparedness/Response	50	0	0	0
Local Assistance Resource Program	45	45	45	29
Medical Indemnity Fund	29	0	0	0
Public Events	20	0	0	0
Additional Competitive Arts Grants	20	0	0	0
Legal services for Eviction Aid	20	0	0	0
Support for County Sheriffs	14	0	0	0
Yonkers City School District Assistance	14	0	0	0
Office of New Americans and Immigration Legal Services	10	0	0	0
Maternal Health	10	0	0	0
First Time Homebuyers	10	0	0	0
Mitchell-Lama	10	0	0	0
Youth Team Sports	10	0	0	0
Land Banks	10	0	0	0
Shelter Arrears Eviction Forestallment	10	0	0	0
Targeted School Aid	10	0	0	0
Debt Service on Capital Adds	9	51	97	152
All Other	124	13	12	11
Legislative Table Adds	374	20	9	9
Restorations/Modifications:	358	371	396	401
Operational Savings	300	300	300	300
Medicaid	42	25	44	44
Committee on Special Education	0	29	29	29
All Other	16	17	23	28
Receipts Modifications/Adds	**1,107**	**81**	**81**	**13**
POWER Checks	1,040	0	0	0
Temporary VLT Additional Vendor Fees	67	81	81	13
STATE SPECIAL REVENUE FUNDS ADDS	**71**	**116**	**134**	**154**
Civil Legal Services Grant Expansion	25	43	63	83
Uniform MCO Tax	14	59	59	59
Seed to Sale System	10	0	0	0
All Other	22	14	12	12
TOTAL STATE FUNDS RESTORATIONS/ADDS	**4,249**	**1,830**	**1,932**	**1,628**

PTET Financial Plan Impact

The U.S. Department of the Treasury (Treasury) and the Internal Revenue Service 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 deduction to Federal taxable income. Legislation enacted in FY 2022 allows an optional PTET on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to participate can pay a PTET payment 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 similar taxes, which currently include Connecticut and New Jersey, among other states.

The Financial Plan estimates include PTET collections within business taxes and a corresponding decrease in PIT receipts that in the aggregate are expected to be cost neutral to the State on a multi-year basis. 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 reserve balance established at the inception of the program has and is expected to continue to cover the difference between PTET collections and related PIT credits in each fiscal year making it General Fund balance neutral, as shown in the table below.

The discussion of tax receipts throughout the Financial Plan excludes the impact of PTET, unless otherwise noted.

FY 2027 ENACTED BUDGET
GENERAL FUND IMPACT OF THE PASS THROUGH ENTITY TAX
SAVINGS/(COSTS)
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
General Fund Impact	**0**	**0**	**0**	**0**	**0**
Tax Receipts[1]	3,082	256	57	435	690
PIT Credits	(17,044)	(19,734)	(19,983)	(20,045)	(20,390)
PTET Collections (Business Taxes)	20,126	19,990	20,040	20,480	21,080
Use of/(Deposit to) Reserve for PTET Refunds	(3,082)	(256)	(57)	(435)	(690)

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

Cash Flow / Liquidity

DOB expects that the General Fund will maintain sufficient liquidity in FY 2027 to make all planned payments as they become due. General Fund resources used to pay debt service on bonds secured by dedicated receipts, including PIT Revenue Bonds and Sales Tax Revenue Bonds, continue to be set aside as required by law and bond covenants.

State law currently authorizes short-term financing for liquidity purposes during the fiscal year, which serves as a cashflow management tool to respond to unanticipated financial disruptions. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes which mature no later than March 31, 2027. Borrowed amounts cannot be extended or refinanced beyond the initial maturity. The Financial Plan does not assume the use of short-term financing for liquidity purposes. DOB evaluates operating results and liquidity levels regularly and may adjust use of notes based on liquidity needs, market considerations, and other factors.

Spending Summary

The table below summarizes the projected annual change in spending from FY 2026 to FY 2027, followed by a summary of changes.

SPENDING SUMMARY
FY 2026 TO FY 2027
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Annual Change $	Annual Change %
ASSISTANCE AND GRANTS	**105,169**	**116,599**	**11,430**	**10.9%**
DOH Medicaid	33,984	39,443	5,459	16.1%
School Aid (School Year Basis)	37,775	39,635	1,860	4.9%
Mental Hygiene (Excluding MHSF)	8,382	9,555	1,173	14.0%
Social Services	6,490	7,897	1,407	21.7%
Transportation	5,354	5,671	317	5.9%
Higher Education	3,550	3,686	136	3.8%
Other Education	2,967	3,498	531	17.9%
All Other	6,667	7,214	547	8.2%
AGENCY OPERATIONS	**37,891**	**41,353**	**3,462**	**9.1%**
State Operations	26,056	28,507	2,451	9.4%
Executive Agencies	14,190	15,409	1,219	8.6%
State University System	8,526	9,438	912	10.7%
Judiciary	2,574	2,806	232	9.0%
Other Elected Officials	766	854	88	11.5%
General State Charges	11,835	12,846	1,011	8.5%
Pension Contribution	3,141	3,771	630	20.1%
Health Insurance	6,137	6,549	412	6.7%
Other Fringe Benefits/Fixed Costs	2,557	2,526	(31)	-1.2%
DEBT SERVICE	**5,750**	**3,175**	**(2,575)**	**-44.8%**
TOTAL STATE OPERATING FUNDS	**148,810**	**161,127**	**12,317**	**8.3%**
Capital Projects (State and Federal Funds)	**17,894**	**21,460**	**3,566**	**19.9%**
Federal Operating Aid	**92,247**	**94,433**	**2,186**	**2.4%**
TOTAL ALL GOVERNMENTAL FUNDS	**258,951**	**277,020**	**18,069**	**7.0%**

State Operating Funds

State Operating Funds encompass the General Fund, the Debt Service Fund, and a wide range of State activities funded from dedicated revenue sources that are received outside the General Fund in Special Revenue Funds, including tax revenues, tuition, income, fees, and assessments. Many programs, services, and activities funded with dedicated revenue sources 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 spending totals. However, certain dedicated revenue sources (i.e., HCRA and lottery/gaming receipts) do provide support for certain programs that are jointly supported by the General Fund. As receipts levels in these Special Revenue Funds fluctuate, the amount of General Fund spending concomitantly fluctuates, particularly for health care and education.

Assistance and Grants include payments to healthcare providers, MCOs, school districts, local governments, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations. Medicaid and School Aid account for most of assistance and grants spending and roughly half of total State Operating Funds spending.

Over the past several years, assistance and grants funding has increased substantially due to additional funding for health care, education, child care, mental hygiene, and nearly all other major program areas.

The Department of Health (DOH) Medicaid spending growth is due to medical cost increases; enrollment remaining at elevated levels; benefit expansions; increases to reimbursement rates; increasing drug prices and utilization of high-cost drugs; and continued growth in aging and 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 home health wage increases; increased costs and enrollment growth in the NHTD; and the needs of financially distressed hospitals.

Medicaid spending is also included in the HSF, established as part of the FY 2025 Enacted Budget. The State expects to utilize almost $3.4 billion in Financial Plan resources to fund existing Global Cap commitments and health care delivery investments for hospitals, nursing homes, the Safety Net Transformation Program, and targeted provider investments. In FY 2027, the Enacted Budget includes $750 million in new General Fund resources ($500 million recurring) to support additional spending on critical healthcare provider investments from the HSF. Additionally, the FY 2027 Enacted Budget includes statutory language to enable the State to pursue a uniform managed care assessment which is compliant with the new standards established by CMS. This amended assessment would be effective January 1, 2027, and is anticipated to result in an annual state-share benefit of $165 million.

Other Medicaid spending growth drivers include increased home and personal care utilization and costs, expanded access to health coverage, and other costs reported outside of the Global Cap to support home care and minimum wage for healthcare providers ($4.6 billion) and financial relief to counties and NYC associated with the State's full coverage of the local share of spending growth ($2.4 billion).

School Aid grows to $39.6 billion (4.9 percent increase) for SY 2027 and includes a $1 billion (3.9 percent) increase in Foundation Aid. The Enacted Budget increases aid for English language learners through the Foundation Aid formula and also modifies the formula to add a weighting for students who are experiencing homelessness or are in foster care. The Enacted Budget ensures that each school district receives at least a 2.0 percent year-to-year increase in Foundation Aid. The Enacted Budget also provides additional funding for universal four-year-old prekindergarten, including increasing districts' per-pupil funding to the higher of $10,000 or their current selected Foundation Aid per pupil.

Mental Hygiene spending growth supports targeted investments in services to ensure appropriate access to care for individuals with developmental disabilities, mental illness, substance use and gambling disorders, as well as continued efforts to expand mental health access and care, and a 2.7 percent targeted inflationary increase for eligible programs.

Social Services spending increases reflect expansion of child care subsidies, new funding to support 3-K in NYC, establish a new 2-Care NYC program, and create child care pilot programs in select counties, as well as new youth diversion funding for NYC. The Enacted Budget also includes a 2.7 percent targeted inflationary increase for eligible programs. These increases are partially offset by the wind down of NYC asylum seeker assistance, with final payments expected in FY 2027.

Transportation spending is supported almost entirely by dedicated revenue available to fund mass transit and fluctuates commensurately with projected revenue levels.

Higher education spending increases are supported in large part by growth in State operating aid and fringe benefit support for CUNY senior colleges, investments in SUNY and CUNY community colleges, and enrollment growth in the Higher Education Services Corporation's (HESC) Tuition Assistance Program (TAP) and scholarship programs.

All Other Education program spending increases include the continuation of universal free school meals, under which the State pays the entire student and local cost share of all meals that are not fully reimbursed by the Federal per-meal reimbursement rates (i.e., the portion of costs for each meal that would otherwise need to be paid by the school and/or student); higher costs related to preschool and summer school special education programs, commensurate with growth in enrollment and tuition rates resulting from recent years' cost of living adjustments, as well as reforms that result in accelerated or increased costs; increased funding for nonpublic schools; and increased reimbursement to school districts related to charter schools.

All other assistance and grants spending increases support various services and programs, including services for the aging population, the Hunger Prevention and Nutrition Assistance Program (HPNAP), the Judiciary's Civil Legal Services Program, arts competitive grants, the Homeowner Protection Program, the Subway Co-response Outreach Teams program, upstate transit aid, assistance to NYC, civil legal aid to low-income New Yorkers, miscellaneous financial assistance to major cities outside NYC, support to counties, including sheriffs, the Underserved Communities and Civic Engagement Program, the Office for New Americans program, and the Bolstering Biotech initiative. The Enacted Budget also includes funding for a new program which will provide direct payments to New York's agricultural community to offset rising costs caused by tariffs.

In addition, all other spending reflects reconciliations to adjust spending for the timing of School Aid between the school year and State fiscal year and the net impact of the Mental Hygiene Stabilization Fund (MHSF) related to the Medicaid Global Cap.

Agency Operations include spending on State Operations (Personal Service (PS) costs such as wages and salaries and Non-Personal Service (NPS) costs such as supplies and utilities) and General State Charges (GSCs) (pension contributions, health insurance, and other fringe benefits, as well as fixed costs).

Executive agencies spending growth is projected across nearly all agencies driven by staffing increases, annual incremental pay increases as employees move from their starting hiring rate towards the job rate, H.R. 1 impacts associated with SNAP administrative costs sharing and Medicaid community engagement requirements. Other cost increases include continued investments in cybersecurity, IT system modernization and demographic data collection efforts; the Office of Cannabis Management seed-to-sale system; increased public service announcements executed by the Office of General Services (OGS); the Joint Task Force Empire Shield Mission; and creation of the new Office of Child Care and Early Education to oversee the implementation of high-quality child care in New York State. Agencies will be expected to fund potential salary increases pursuant to future labor agreements within existing and planned growth levels.

SUNY growth reflects increasing expenses for four-year campuses and the three teaching hospitals, including increasing salary costs due to continued hiring and growing workforce levels and potential salary increases pursuant to future labor agreements. SUNY four-year campuses are funded by a combination of tuition, fee revenue, and General Fund support. Resident undergraduate tuition at four-year campuses has remained flat since 2019, necessitating increased State aid to support collective bargaining costs, campus operations, and student services. In FY 2027, the State will provide an estimated $4.5 billion in support to SUNY four-year campuses inclusive of $1.8 billion in General Fund operating transfers, $2.1 billion for fringe benefit costs[11] of employees at SUNY State-operated campuses, and $617 million for debt service costs to support bond-financed capital projects. SUNY Downstate Hospital will also receive $100 million in additional State support in the coming academic year (2026-27).

Judiciary growth supports the cost of non-judicial staffing increases, four court officer academies, collective bargaining agreements, overtime costs, as well as various new investments included in the Judiciary's FY 2027 Budget. These increases include new judgeships, judicial pay increases, technology initiatives, and rent increases, as well as Attorney for Child provider funding, enhancements to Family Court services, expansion of peer advocacy and court navigator programs, the creation of Mental Health parts in NYC Family Court, the establishment of best practices training in youth and problem-solving courts, a new lab-based drug testing program, and the expansion of Housing Court Help Centers.

[11] This fringe benefits spending is excluded from SUNY operational spending and reported as General Fund fringe benefit spending.

Operating costs for the offices of independently elected officials (Attorney General, Comptroller, and Legislature) are projected to collectively grow by 11.5 percent for salary and staffing level increases, and technology investments for OSC. The Attorney General funding is also increased by $4.5 million annually to support the new Immigration Trust Office.

GSCs growth is primarily a result of an increase in employer pension contribution rates due to retirement benefit enhancements for Tier 5 and 6 members in the FY 2027 Enacted Budget, as well as continued benefit enhancements for certain uniform groups and other public employees, prior year market losses, and an annual increase to the State share of Special Accidental Death Benefit payments made by NYC. In addition, health insurance increases are attributable to medical inflation, the rising costs of prescription drugs, including high cost GLP-1 medications, and out-of-network services. Increases in other fringe benefits and fixed costs are attributable to higher employer payroll taxes due to the continued growth in the State workforce and other salary increases.

The State pays annual debt service on all outstanding State-supported debt issuances, which is affected by the prepayment of future debt service costs in prior fiscal years. Adjusting for prepayments, State-related annual debt service expense for FY 2027 is projected at $6.7 billion, an increase of 5.0 percent from the prior-year level.

Capital Projects

Capital projects spending supports the preservation of State assets and new investments in transportation and transit infrastructure, affordable and homeless housing, economic development, environmental protection and infrastructure, and health care. These projects are funded by a combination of proceeds from the sale of bonds, annual General Fund support commonly referred to as PAYGO resources, and Federal grants. The Enacted Capital Plan[12] limits debt issuances at a level that is expected to allow the State to remain in compliance with its statutorily imposed debt limits and maintain sufficient capital spending for core capital projects.

Spending on capital projects is projected to increase, mainly attributable to the State's direct capital contribution for the 2020-24 and 2025-29 MTA Capital Plans; timing of various transportation projects, including the I-81 redevelopment project; clean water infrastructure projects; and DOH's transformation programs. For more information on Capital Projects spending, see the Enacted Capital Plan.

Federal Operating Aid

Federal operating aid spending growth is primarily due to increased Medicaid spending, partially offset by a substantial drop in COVID-19 pandemic response and recovery assistance provided to state and local governments, schools, hospitals, transit systems, businesses, families, and individuals.

A more detailed summary of Federal spending is in the "Federal Aid" section herein.

[12] FY 2027 Enacted Capital Program and Financing Plan

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OTHER MATTERS AFFECTING THE FINANCIAL PLAN

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This section is intended to provide readers with additional information on current issues or factors that may affect the Financial Plan and may not otherwise be described in detail elsewhere in the Financial Plan. The emphasis of this section is on risks to financial projections and management, but it also includes information that provides context for the State's financial operations more broadly. This section includes information on the following topics:

- Federal Government Funding Risks
- Financial Plan Projections
- State Labor Costs
- Employee Health Insurance
- State Debt
- Localities and Authorities
- Other Risks and Ongoing Concerns

Federal Government Funding Risks

The Federal government participates in funding a significant portion of programs that provide health care, human services, and various other services to New Yorkers. The amount and composition of Federal funding received by the State fluctuates over time, as legislative and regulatory actions at the Federal level often change. Specific Federal government decisions and rules that pose an ongoing risk to the Financial Plan include audits, disallowances, changes to Federal participation rates or other Medicaid rules, discretionary spending reductions, and the expected need for Congress to increase or suspend the debt limit to avoid delaying payments and/or defaulting on debt obligations.

The State continues to monitor a variety of Federal government actions, policies, and legislative efforts, particularly concerning war, immigration, artificial intelligence (AI), the Federal workforce, environmental regulations, and various social service programs that serve low-income families, child care, and other anti-poverty programs.

Federal Debt Limit. Periodically, the Federal government has increased or suspended its debt limit, which is currently $41.1 trillion after a $5 trillion increase included in H.R. 1. Failure to increase or suspend the debt limit when needed in the future could result in the Federal government delaying or defaulting on payments. If Federal payments are not made, particularly for a prolonged period, it 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 Federal government delay or default in payments are unknown and impossible to predict. However, historical experience suggests that any default or delay in Federal payments that leads to a broader economic downturn could result in substantial losses in State revenues.

Federal Aid Reductions. Any significant reduction in Federal aid or cost-sharing for the programs summarized below could result in reduced or eliminated programs and services, and in some cases have a materially adverse impact on the Financial Plan.

The Financial Plan includes the estimated costs of H.R. 1, which substantially altered Federal funding for health care and food security programs and services provided to New Yorkers and amended the Federal tax liability of New York's residents and businesses. The bill modified tax rates, deductions, and credits; adjusted eligibility requirements for several Federal benefit programs, including adding and expanding work and community engagement requirements; and made reductions and amendments to Medicaid and nutrition assistance funding. A more detailed summary of the Federal funding estimates in the Financial Plan is contained in the "Federal Aid" section herein.

On January 6, 2026, New York State received notices from the Federal Administration for Children and Families that it was placing a temporary freeze on drawdowns for Federal TANF, Child Care and Development Fund (CCDF), and Social Services Block Grant reimbursements to the State. Four other states, California, Colorado, Illinois and Minnesota, also received these notices and had their drawdowns frozen. The notices claimed that the states are "illicitly providing illegal aliens with benefits intended for American citizens and lawful permanent residents." The State receives approximately $3.4 billion in total funds from these grants annually and primarily uses these funds to reimburse counties and NYC for the cost of providing Family Assistance, child care, domestic violence services, homeless shelters and transitional housing, emergency payments for families and children, adoption services, foster care and child welfare investigations, not-for-profit social service providers, and more. Not only does this action have a significant impact on the State, but also the 57 counties and NYC, which are responsible for determining eligibility and paying the cost of these critical benefits in the first instance and are then reimbursed using these Federal grants. On January 8, 2026, the New York Attorney General and a coalition of the four other affected states sued the Administration for Children and Families for these withholdings, asserting there was no legitimate justification for freezing these funds, that the Administration for Children and Families failed to provide any evidence of the misuse of these funds, and that the Administration for Children and Families ignored the legal framework for investigating potential instances of non-compliance and imposing sanctions. On February 6, 2026, a U.S. District Judge granted a preliminary injunction preventing the implementation of this freeze.

Health Care. Changes in Federal funding levels or eligibility criteria for public health care programs, including Medicaid, EP, and CHP, could result in a reduction in public health coverage and could negatively impact the Financial Plan. A majority of the State's Medicaid program is operated under an approved Federal demonstration waiver, which is subject to review by CMS every five years and is currently extended through March 31, 2027. This authorization includes funding for Medicaid Managed Care Programs, Managed Long-Term Care (MLTC) programs, and Home and Community Based Services.

The State also operates the EP under a Federal waiver, which receives Federal subsidies authorized through the Affordable Care Act (ACA). In addition to income eligible citizens, the EP currently provides coverage for lawfully present immigrants not eligible for Federal financial participation in Medicaid solely due to their immigration status. H.R. 1 disqualifies these individuals from receiving Federal funding for their EP benefits. However, certain income eligible lawfully present immigrants may otherwise qualify for the State Medicaid program. To alleviate new State costs and maintain coverage for as many individuals as possible, DOH applied to CMS to terminate its 1332 Waiver and EP expansion and reactivate its suspended BHP authorized under Section 1331 of the ACA and shift an estimated 1.3 million current EP 1332 enrollees with incomes below

200 percent of the Federal Poverty Level (FPL) into the 1331 BHP, allowing them to maintain comparable health coverage. On February 27, 2026, CMS approved New York's Blueprint, which governs the BHP, reinstating the BHP effective July 1, 2026. Subsequently, on March 20, 2026, CMS approved New York's request to terminate the EP's 1332 State Innovation Waiver, also effective July 1, 2026.

CMS approvals enable qualifying EP enrollees to continue receiving federally funded health insurance coverage, including income eligible lawfully present immigrants that would otherwise transition to state-only coverage funded through the Medicaid program. The State estimates Federal EP funds will be sufficient to operate the 1331 BHP through December 31, 2028, however programmatic changes to the 1331 BHP could extend the EP coverage for all eligible enrollees. The cost of state-only coverage for eligible individuals is estimated at nearly $7 billion through December 31, 2028. Absent any changes to the Federal rules and/or regulations related to the State's transition, the costs and coverage for certain EP enrollees will shift from the State to Federal funding and are reflected accordingly in the Financial Plan. Savings in FY 2027 are set aside to fund future state-only coverage costs as needed. Without programmatic changes, these costs are anticipated to increase State costs beginning in FY 2029 and coverage for non-Medicaid eligible EP enrollees would be at risk.

The State is also utilizing a CMS approved three-year, $5.8 billion demonstration waiver through March 31, 2027, to respond to the State's request to address health disparities exacerbated by the COVID-19 pandemic. This funding helps support social, physical, and behavioral health care services throughout the State and requires a total of $1.7 billion in additional State resources, which have been assumed in the Financial Plan over the same period. Given the time limit on the Federal funding, these services are expected to be discontinued at the end of the term, absent an extension by the Federal government. Accordingly, there is no State or Federal funding included in the Financial Plan projections beyond the term period.

Human Services. Federal funding supports SNAP and the Home Energy Assistance Program (HEAP) programs that are administered and supported by Local Departments of Social Services (LDSS). H.R. 1 increases the State's administrative cost-sharing for SNAP from 50 percent to 75 percent effective October 1, 2026, which is reflected in the Financial Plan projections. H.R. 1 also introduces a new non-Federal share of benefits in the SNAP program, ranging from zero percent to 15 percent of program costs, effective as early as October 1, 2027. The implementation of this new non-Federal share may be delayed by up to two years depending on the State's error rate in Federal Fiscal Years 2025 or 2026, which have yet to be determined. In addition, the Federal resources flow directly to recipients to fund the benefits of the SNAP program with no State payments. Accordingly, the Financial Plan does not reflect any costs for a new non-Federal share.

Other Federal funding through the Office of Refugee Resettlement contributes to the State's response to the migrant crisis, including the health, well-being, and stability of refugees. The Commission for the Blind uses Federal funds to support mobility training, academic instruction, case management, and vocational training.

The Federal government has approved a state waiver to effectuate a delay of certain provisions of new CCDF rules for two years through August 1, 2026, and the State plans to submit a waiver extension to delay certain provisions of the CCDF rules through August 1, 2028. If the waiver request is denied and Federal funding is reduced, the State's annual child care block grant allocations to New York LDSS would be lowered resulting in waitlists for services.

Federal funding for Title IV-E and IV-B supports foster care placements, adoption subsidies, and kinship caregiver support programs. Title XX funding assists child welfare and domestic violence services. OCFS also receives a variety of Federal grants for child preventive services programs, domestic violence services, adoption incentive programs, and the Chafee Independent Living program.

Financial Plan Projections

The Financial Plan projections and its assumptions are made at a particular point in time and subject to a myriad of risks, including, but not limited to, economic, social, financial, political, technological, public health, and environmental risks and uncertainties. The projections of receipts and disbursements in the Financial Plan are based on reasonable assumptions, information, and data at the time they were prepared. There can be no 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, as well as State and Federal tax law changes, and related taxpayer behavior and migration. 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; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; Federal laws, regulations, executive orders, and other Federal actions; financial sector compensation; capital gains; and monetary policy affecting interest rates and the financial markets.

The largest component of State tax revenue comes from PIT. Beginning in tax year 2021, the State created three new high-income PIT rates for taxpayers earning over $2.2 million annually, which resulted in a more progressive state income tax system. The top PIT rate is currently 10.9 percent and includes less than 0.1 percent of taxpayers. These rates are scheduled to expire at the end of tax year 2032 and revert to a single bracket with a rate of 8.82 percent.

The Tax Cuts and Jobs Act of 2017 (TCJA) made extensive changes to the Federal individual income tax, corporate income tax, and estate tax, most of which were effective in tax year 2018. Many provisions of the TCJA were scheduled to expire at the end of 2025, including the $10,000 limit on the deductibility of State and Local Tax (SALT) payments. H.R. 1 included extensions and modifications to many provisions of the TCJA, including increasing the SALT cap from $10,000 to $40,000. The increased cap is phased out for taxpayers with income levels above $500,000 and remains at $10,000 for taxpayers with income greater than $600,000. The increased cap is set to expire after tax year 2029 for all income levels. It should be noted that PTET and the Employer Compensation Expense Program are independent of the TCJA and H.R. 1, both of which are not scheduled to sunset, and taxpayer utilization of these programs is expected to continue. However, the Federal government could elect to bar or curtail utilization of these programs in the future, which could impact taxpayer migration and future State tax receipts.

The projection of non-tax receipts and other available resources assumes various transactions and outcomes will occur as planned, including, but not limited to: receipt of Federal aid; certain payments from public authorities; revenue sharing payments under the Tribal-State Compacts; and the collection of fines, fees, and other receipts at levels to support operations, offset costs, and enable transfers of available fund balances to the General Fund. It should be noted that State spending on its two largest programs – Medicaid and School Aid – remains sensitive to the performance of dedicated revenue collections in other funds, such as HCRA and gaming receipts, that are used to finance a portion of these program costs.

Disbursements. Annual spending projections and timing of disbursements are subject to many of the same risks listed above for receipts, as well as variations from assumptions, policy changes, and future labor agreements which may increase spending, 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 such as continued benefit enhancements; the receipt of Federal approvals necessary to implement the Medicaid savings actions; continued Federal participation in cost sharing for health care and human services programs; unanticipated growth in public assistance programs, including the assumed level of utilization of newly expanded benefits; State payments and assistance to health care facilities and providers beyond the typical rate reimbursement system; enrollment, utilization and availability of funding for certain public health and child care programs; adherence to statutorily limited growth caps; and the ability of the State and its public authorities to issue securities successfully in public credit markets.

The State's two largest assistance and grants programs, School Aid and Medicaid, have been subject to annual growth limits since 2012 which are intended to control or limit spikes in spending levels. Both spending caps, as well as the scope of the Medicaid program subject to the cap, have been modified several times since initial implementation, particularly over the past several years.

The **School Aid** growth cap limits annual spending growth to increases in State Personal Income, as calculated in the Personal Income Growth Index (PIGI). The statutory PIGI for School Aid is based on the average annual income growth over a ten-year period. However, the authorized School Aid increases have exceeded the indexed levels almost every year since its inception. In SY 2022 through SY 2024, School Aid substantially exceeded the PIGI, due to the State's phase in of full funding of the Foundation Aid formula completed in SY 2024, which drove an annual increase of 9.7 percent compared to the indexed PIGI rate of 4.2 percent. School Aid increases have continued to exceed the indexed PIGI rate each year with the SY 2027 increase again above the indexed PIGI rate of 4.6 percent. The Financial Plan projections for SY 2028 and beyond assume that School Aid growth will be based on estimated growth in Foundation Aid and expense-based aids and that growth will be below the PIGI rate.

Nearly three-quarters of **DOH State Funds Medicaid** spending growth is subject to the established limit for Medicaid growth under the Global Cap compared to 96 percent when the cap was initially established. State-share Medicaid spending excluded from the Global Cap includes supplemental hospital payments, costs for the takeover of Medicaid growth from local governments, reimbursement to providers for increased minimum wage costs, and investments and rate increases paid from the HSF. The initial Global Cap was calculated using the ten-year rolling average of the medical component of the CPI for all urban consumers and thus allowed for growth attributable to increasing costs, though not increasing utilization. To accommodate growth in utilization, beginning in FY 2024, the Global Cap was amended to use the five-year rolling average of health care spending based on projections from the CMS Actuary that are updated annually. The new Global Cap index added a substantial amount of allowable Medicaid growth – almost $38 billion covering the eight-year period from FY 2023 through FY 2030.

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 equip DOH with the ability to adhere to the growth limits set by the Global Cap for the then-current fiscal year through actions that 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.

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, the scope of spending subject to the Global Cap has been modified, and in certain fiscal years, the General Fund has provided relief to the Global Cap and DOH has taken management actions, including adjustments to the timing of Medicaid payments consistent with contractual terms, to ensure compliance with the Global Cap.

Escalating health care costs and industry pressures present fiscal challenges for the State that will need to be addressed to ensure long-term fiscal sustainability of these programs. A summary of these programs and pertinent issues is described in more detail below.

Public Health Insurance Programs. Medicaid spending growth is largely driven by the expanded utilization of the State's MLTC program and other programs serving seniors and individuals enrolled in both Medicaid and Medicare. These programs currently comprise roughly 60 percent of total Medicaid spending, which is expected to rise to nearly 70 percent by 2028 as the baby boomer population ages. By 2030, 21 percent of the State's population is expected to be over age 65, up from 13 percent in 2010. This is expected to place a substantial amount of pressure on health care funding needs, and as such there can be no assurance that costs will not exceed projections in the later years of the Financial Plan absent savings actions and/or rate reductions.

CHP. Since its inception in 1990, the State's CHP program has provided free or subsidized health insurance coverage to children in New York State under the age of 19 in families with incomes too high to qualify for Medicaid and is partly funded by the Federal government. The CHP program also covers children who are ineligible for Federal financial participation at a 100 percent State cost. CHP currently covers over 535,000 enrollees, an increase of almost 43,000 from the level recorded two years ago.

Hospital Assistance. The State provides a substantial amount of supplemental funding to public and not-for-profit hospitals beyond traditional Medicaid reimbursement rates, which include payments through various programs and grants, including the Vital Access Provider Assurance Program, Vital Access Provider Program, Graduate Medical Education Incentive Program, and various other programs. In FY 2026, 75 of 261 New York hospitals (29 percent) were deemed financially distressed – a 200 percent increase since FY 2017 that has driven a concomitant 695 percent increase in Federal/State fiscal assistance to these entities.

As of FY 2022, the State provided roughly $985 million in hospital assistance in aggregate to all hospitals statewide each year. Beginning in FY 2023, the base support was increased on a recurring basis by $100 million bringing the total to nearly $1.1 billion, while the State also began providing additional targeted funding to certain facilities. As of FY 2026, the State has provided $2.3 billion in supplemental State support to certain hospitals: $800 million in FY 2023, and $500 million in annual additional funding included in each budget thereafter. The FY 2027 Enacted Budget continues the supplemental $500 million support. In addition, the State provided a five-year commitment of $2.5 billion in supplemental funding associated with the Safety Net Transformation Program to fund projects and partnerships that promote financial sustainability of provider systems.

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, including employment opportunities, creates the potential for increased cost pressure within the Financial Plan should the State continue to provide supplemental payments to hospitals. Absent structural and fiscal reforms executed by the boards and executives responsible for these facilities, there can be no assurance that the State will not continue to provide additional funding at or above current commitment levels, as many facilities, including those which are not currently fiscally distressed, continue to seek State financial support.

MIF. The MIF was created in 2011 and is currently administered by DOH to provide for the future health care costs of individuals who suffered birth-related neurological injuries because of medical malpractice during delivery. The purpose of the MIF is to ensure qualified plaintiffs have their health care needs met throughout their lifetime and to assist hospitals by limiting their liabilities for medical malpractice expenses. In 2017, rates increased, and eligibility was expanded to births occurring at non-hospital facilities. Services covered by the MIF are expansive and can include medical, dental, surgical, hospital, nursing, custodial, and rehabilitative care. The costs are supported in part by a hospital assessment with the balance covered by State funding. To date, the State has provided $928 million in funding for the MIF and another $155 million is planned for FY 2027, which reduces medical malpractice costs to benefit hospitals and birthing facilities.

Pursuant to law, if the MIF's annual estimated liabilities reach or surpass 80 percent of its total assets, the MIF closes to new enrollment to maintain solvency absent increased funding to the MIF. The State has provided additional funding over the past several years to avoid the MIF closing, and additional one-time funding is included again to allow the program to remain open to new enrollees in FY 2027. Due to increased enrollment and escalating average medical costs per enrollee, the MIF is expected to reach the threshold for closure to new enrollees in FY 2028. Absent policy changes to require hospitals and providers to provide additional funding to the MIF and/or implement program reforms, additional State funding would be needed beginning in FY 2028 to prevent the potential closure of the MIF to new enrollees. If closed to new enrollees, those who would have been considered qualified plaintiffs and automatically enrolled in the MIF will instead be free to seek legal recourse against hospitals and physicians for medical costs.

Litigation Risk. The State is subject to litigation risk, including challenges on the constitutionality of various actions with fiscal implications. In the aggregate, these litigation matters could negatively affect the forecasts and projections contained in the Financial Plan.

On June 3, 2026, a coalition of nonprofits and law firms filed a putative class action lawsuit in Supreme Court, New York County (Index No. 157051/2026) which alleges that the New York State Office of Temporary and Disability Assistance and its Commissioner have failed to meet obligations plaintiffs argue defendants have under the State Constitution and Social Services Law with respect to housing subsidies for individuals and families on public assistance. If the plaintiffs are successful, there would be additional costs to the State's Financial Plan which could be material and would have to be assessed by the State depending on the result of the litigation.

Financial Plan Risk Management. In developing the Financial Plan, DOB attempts to manage financial risks, with an emphasis on the General Fund. It does this by exercising caution when calculating total receipts and disbursements, as well as managing the accumulation and use of financial resources, subject to availability, and including a transaction risk reserve each fiscal year, to maintain budget flexibility. Available resources include, but are not limited to, fund balances that are not needed in the near term; management of the timing of reimbursement for capital advances; prepayment of expenses; and routine execution of 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 caps, and better position the State to address unanticipated costs, including economic downturns, revenue deterioration, and unplanned expenses. 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 some cases, the ability of the State to implement cash management actions requires the approval of the Legislature and cannot be implemented solely by the Governor. The FY 2027 Enacted Budget continues a provision designed to maintain a balanced budget by authorizing the Budget Director to reduce payments subject to a plan submitted to the Legislature for review, in the event a General Fund imbalance exceeding $2 billion is expected.

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 gap-closing actions to preserve General Fund balance. 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.

State Labor Costs

All State labor unions were covered by ratified contracts that expired at the end of FY 2026. The State is actively negotiating with labor unions and has reached a tentative agreement with CSEA, representing roughly 30 percent of the total State workforce. A tentative agreement was also reached with UUP, representing the faculty and professional staff of the SUNY system. These tentative five-year agreements provide general salary, and other compensation increases for the period of April 1, 2026 through March 31, 2031, and include negotiated health insurance savings that partly offset the cost of increases and other payments. The total five-year cost of the two tentative agreements is estimated at $5.9 billion -- $2.9 billion for CSEA and $3.0 billion for UUP. The cost of similarly structured agreements for all unions, inclusive of CSEA and UUP, is estimated to total roughly $13 billion over the five-year period.

On June 11, 2026, the Public Employees Federation (PEF) reached a tentative collective bargaining agreement with the State. The tentative five-year agreement provides general salary, and other compensation increases for the period of April 1, 2026 through March 31, 2031, and includes negotiated health insurance savings that partly offset the cost of salary increases and other payments. The 5-year total cost of the tentative agreement is estimated at $4.3 billion.

Consistent with past practice, agencies will be expected to fund the cost of salary increases within existing operational budgets. Total State Operations spending statewide is estimated to increase 9.4 percent in FY 2027 and is expected to be sufficient to fund salary increases. The Financial Plan also includes amounts informally reserved for future operational needs that could be available to fund costs of future labor contracts; however, there can be no assurance that those amounts will be available or sufficient to fund ongoing costs related to future agreements. Pending union member ratification, any additional Financial Plan costs will be reflected in future quarterly updates, as needed.

STATE UNION LABOR CONTRACTS
GENERAL SALARY INCREASES

	Contract Period	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
CSEA	FY 2022 - FY 2026	2%	2%	3%	3%	3%	TBD
PEF	FY 2024 - FY 2026	2%	2%	3%	3%	3%	TBD
NYSCOPBA	FY 2024 - FY 2026	2%	2%	3%	3%	3%	TBD
PBANYS	FY 2024 - FY 2026	2%	2%	3%	3%	3%	TBD
UUP (SUNY)	AY 2023 - AY 2026	2%	2%	3%	3%	3%	TBD
DC-37	FY 2024 - FY 2026	2%	2%	3%	3%	3%	TBD
Council 82	FY 2024 - FY 2026	2%	2%	3%	3%	3%	TBD
NYSTPBA	FY 2024 - FY 2026	2%	2%	3%	3%	3%	TBD
NYSPIA	FY 2024 - FY 2026	2%	2%	3%	3%	3%	TBD
GSEU	AY 2024 - AY 2026	2%	2%	3%	3%	3%	TBD

In addition to general salary and overtime costs, the State provides fringe benefits to State employees and retirees, with the largest fringe benefit costs being pensions and health insurance. Most State employees are eligible to enroll in the New York State and Local Retirement System (NYSLRS), which provides a defined benefit retirement plan that guarantees monthly pension payment for life upon meeting required age and service thresholds.

Employee Pension Benefits[13]

The NYSLRS administers the pension benefit of more than 1.2 million members, retirees, and beneficiaries. The State makes annual contributions to the NYSLRS for employees in the New York State and Local Employees' Retirement System (ERS) and the Police and Fire Retirement System (PFRS). This section discusses contributions to the NYSLRS, which account for most of the State's pension expenses.[14] All projections are based on estimated market returns and numerous actuarial assumptions which, if unrealized or significantly changed, could have a materially adverse effect on these projections.

New York State Retirement and Social Security Law Section 11 directs NYSLRS to provide regular reports on the System's 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 (CRF) 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 September of each year. The most recent report included the statutorily required quinquennial study that reviews the experience over the previous five years in relation to the current assumptions made by the retirement system, and adopts new assumptions, if necessary, which are used to measure experience on a prospective basis. The Comptroller does not provide a multi-year forecast of pension liability estimates requiring DOB to forecast costs included in the multi-year State Financial Plan. DOB's forecast assumes growth in the salary base consistent with actual and expected workforce levels and collective bargaining agreements, as well as a conservative rate of return relative to the current 5.9 percent annual rate of return assumed by NYSLRS.

Increasing pension costs over the past several years are attributable to rising State workforce levels; higher-than-expected service retirements; investment performance fluctuations, including prior year market losses in the CRF; and enhancements to the retirement benefits for Tier 6 members[15] and certain groups of first responders and officers.

In the most recent annual report released on September 4, 2025, the Comptroller announced significant increases in employer contribution rates for both ERS and PFRS which will impact State and local government expenses beginning in FY 2027. The average employer contribution rate increased from 16.5 percent to 17.6 percent of payroll for ERS, its highest level since FY 2016, and from 33.7 percent to 36.5 percent of payroll for PFRS, its highest level ever.

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[13] 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.

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

[15] In response to escalating public pension costs, Tier 6 was implemented in 2012 to save New York State and local governments billions of dollars. Tier 6 members currently comprise more than 60 percent of total NYSLRS members.

The ERS rate is driven in part by increases in member salaries over the last year and the assumption that salaries will continue to rise much faster than previously expected, as well as benefit enhancements. The PFRS rate increase is due to certain actuarial assumptions which include the disability assumption, as numerous bills have been enacted over the last few years to expand or enhance the disability benefit, increasing the probability that disability retirement is awarded in the future. In addition, the service retirement assumption was changed due to the increase in the number of retirements being filed upon a member's initial eligibility.

The FY 2027 Enacted Budget includes legislation that further enhances retirement benefits for employees enrolled in Tier 5 and 6. These improvements include a reduction in the employee contribution rate for both ERS and PFRS Tier 5 and 6 members, increases in the amount of overtime pay when determining an ERS or PFRS member's pension benefit and a two-year extension of the overtime exclusion when determining a Tier 6 member's employee contribution percentage. The FY 2027 Enacted Budget also provides enhanced retirement benefits for New York State Correction Officers and Security Hospital Treatment Assistants that allows these individuals to work beyond the date of eligible retirement with no risk of diminished pension benefits in the event death occurs while in active employment status. This enhancement is estimated to cost the State $27 million in FY 2027 and nearly $2 million each year thereafter. Other changes include modification to employee contribution rates to both the 20-year and 25-year retirement plans for the Police Benevolent Association of New York (PBANYS) enacted in 2025 which are expected to increase State costs by $14 million in FY 2027 and $4 million annually thereafter. Collectively, the costs for all the FY 2027 Enacted Budget pension benefit enhancements are estimated to total $578 million over the multi-year Financial Plan.

In FY 2022, NYSLRS switched from a five-year to an eight-year smoothing methodology to reduce volatility in the employer contribution rates. However, market losses in FY 2023 have negated the gains in FY 2022 and FY 2024, resulting in a net increase in contribution rates.

As a result of the increases in the employer contribution rates, participants in the Contribution Stabilization Program have the option to amortize (defer paying) a portion of their FY 2027 ERS and PFRS liability over a period of ten years. The amounts eligible for amortization are determined by the System's actuary and are reflected in the employer's estimated bill. The State currently has no plans to amortize its pension liability.

Since FY 2024, the State has continued to prepay pension obligations which were due the following fiscal year to generate interest savings and provide funding and investment opportunities for the CRF to yield higher returns than the Short-Term Investment Pool (STIP) rate.

The following table reflects projected annual pension contributions exclusively for the Executive branch and Judiciary employers participating in ERS and PFRS, as well as the amortization rate eligibility. These pension rates are expected to continue to rise, including the costs of Tier 5 and 6 enhancements in the FY 2027 Enacted Budget, placing escalating cost pressures on the State and local governments.

EMPLOYEES' RETIREMENT SYSTEM (ERS) AND POLICE AND FIRE RETIREMENT SYSTEM (PFRS) PENSION CONTRIBUTIONS

(millions of dollars)

	Statewide Pension Payments[1]			Rates for Determining Amortization Amount			
				System Average Normal Rate[2]		System Average Graded Rate[3]	
Fiscal Year	ERS	PFRS	Statewide Pension Contribution	ERS (%)	PFRS (%)	ERS (%)	PFRS (%)
2027	2,962.9	389.2	3,352.1	17.6	36.5	16.1	30.4
2028	3,357.1	448.2	3,805.3	19.7	38.3	17.1	31.4
2029	3,756.8	507.9	4,264.7	21.9	40.1	18.1	32.4
2030	4,026.6	548.2	4,574.8	24.9	42.5	19.1	33.4

[1] Pension Contribution values in this table do not include costs related to the ORP, VDC, and TRS for SUNY and SED, which are included in pension costs in other Financial Plan tables.

[2] The System average rate represents the average normal contribution rate over all retirement plans in each system for a given fiscal year.

[3] The change in the graded rate is determined by the difference between the System average rate and previous graded rate. If the difference is 1 percent or more, the graded rate will change by 1 percent in the direction of the System average rate. If less than 1 percent, the graded rate will be set at the System average rate.

Employee Health Insurance

The New York State Health Insurance Program (NYSHIP) offers comprehensive health insurance coverage to over 1.2 million individuals, including State and local government employees, retirees and their eligible dependents. NYSHIP serves over 800 State and local governments, public authorities, school districts, and other public employers.

Roughly 90 percent of State enrollees and their families participate in the Empire Plan, a comprehensive program that covers hospital services, physicians' bills, prescription drugs, and other medical and mental health expenses. In addition to the Empire Plan, NYSHIP also offers 8 different health maintenance organization (HMO) options for State employees and retirees to choose from as an alternative to the Empire Plan.

The Department of Civil Service (DCS) establishes the annual premium rate recommendation in consultation with the State's health benefits vendors, the Office of Employee Relations, and DOB. The process includes a review of current experience and trends and projecting factors such as utilization, the cost of claims, administrative expenses and the impact of regulatory costs. The DOB-approved final rates drive the employee and retiree health insurance cost estimates that are contained in the State's Financial Plan. Rates for the remaining NYSHIP HMO options are community-rated, as developed by the HMOs, and submitted to the Department of Financial Services (DFS) for review and approval.

The risks and variations to the Financial Plan estimates of health insurance costs include but are not limited to: unforeseen changes in the workforce; State/Federal legislation; collective bargaining agreements; timely remittance of premiums from employers participating in the Empire Plan; out-of-network utilization; changes in the healthcare industry due to new technology and medicines, such as the utilization of GLP-1 drugs used to treat type 2 diabetes and obesity; and overall utilization levels of health care services.

One of the leading factors that has contributed to the recent experience of a near double-digit increase in health insurance premiums are costs for out-of-network providers who were abusing the Federal No Surprise Bill Act and the Independent Dispute Resolution (IDR) process, resulting in higher medical claims and payouts. The FY 2027 Enacted Budget includes modifications to the New York State Surprise Bill law to include the Empire Plan under its purview and makes certain modifications to the Plan's IDR process to result in a fair outcome for all parties and limit the abuse by certain providers. This change is estimated to reduce the State's health insurance costs by approximately $29 million annually.

Over the past few years, NYSHIP has experienced an increase in employer premium delinquencies that impact costs and rates borne by other employers and employees. As of May 2026, NYSHIP outstanding premium bills greater than sixty days in arrears totaled roughly $714 million. Four employers with a combined debt of $683 million, or approximately 5 percent of the total estimated premium for 2026, include Nassau Health Care Corp, SUNY Stony Brook University Hospital, SUNY Upstate Medical University, and Sullivan County Community College. Currently, plan dividends, which would otherwise be used to reduce all employer and employee contribution rates, are being used to offset the delinquent employer premiums. Absent a definitive plan to address outstanding bills, DCS may need to increase future premium rates to effectively spread the cost of these delinquencies to other employers who are current with NYSHIP liabilities. Successful collection of these past due amounts would lower the expected premium increases in FY 2027 for all employers and employees.

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 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 retiree. 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.

The State has deposited nearly $2 billion to the RHBTF, a qualified trust under Governmental Accounting Standards Board Statement No. 74 to reserve money for the health benefits of retired employees and their dependents. The RHBTF is a Fiduciary Fund and is excluded from All Governmental Funds. Under current law, the State may annually deposit up to 1.5 percent of the total then-current unfunded actuarial accrued OPEB liability ($58.3 billion on March 31, 2025). The Financial Plan includes deposits to the RHBTF of $250 million in each fiscal year, that will be made dependent on fiscal conditions.

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 pays for much of its capital spending, in the first instance, from the General Fund or STIP and then reimburses itself with proceeds from the sale of bonds. The 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 to the Internal Revenue Code 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, KBRA, 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 large and diverse economy, commitment to strong reserve levels, and strong budget management.

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, with certain limited exceptions for long-lived MTA projects, generally limits the maximum term of bonds to 30 years. The Debt Reform 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 2025).

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, a total of $14 billion of State-supported debt issued in FY 2021 and FY 2022 and outstanding as of March 31, 2026, is not counted towards the statutory caps on debt outstanding and debt service.

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. 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 $24.7 billion in FY 2026 to a low point of $177 million in FY 2031. 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 $3.3 billion in FY 2027 inclusive of prior year prepayments, or roughly $10.2 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	Total State-Supported Debt Outstanding
FY 2026	$1,777,165	4.00%	71,087	46,365	24,722	2.61%	1.39%	13,934	60,299
FY 2027	$1,851,083	4.00%	74,043	55,313	18,730	2.99%	1.01%	13,889	69,202
FY 2028	$1,922,665	4.00%	76,907	65,004	11,903	3.38%	0.62%	13,832	78,836
FY 2029	$1,998,854	4.00%	79,954	74,860	5,094	3.75%	0.25%	13,661	88,521
FY 2030	$2,078,028	4.00%	83,121	80,791	2,330	3.89%	0.11%	13,114	93,905
FY 2031	$2,161,078	4.00%	86,443	86,266	177	3.99%	0.01%	12,561	98,827
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-Supported Debt Service [2]
FY 2026	$266,970	5.00%	13,349	2,915	10,434	1.09%	3.91%	3,500	6,415
FY 2027	$269,809	5.00%	13,490	3,255	10,235	1.21%	3.79%	3,480	6,735
FY 2028	$264,040	5.00%	13,202	4,593	8,609	1.74%	3.26%	3,156	7,749
FY 2029	$269,985	5.00%	13,499	5,205	8,294	1.93%	3.07%	3,239	8,444
FY 2030	$269,670	5.00%	13,484	7,570	5,914	2.81%	2.19%	938	8,508
FY 2031	$273,508	5.00%	13,675	8,295	5,380	3.03%	1.97%	937	9,232

[1] Does not include debt issued in FY 2021 and FY 2022 because the debt caps were temporarily suspended 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 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.

In the FY 2027 Enacted Budget, the State included new bond-financed capital commitments that add $2.8 billion in new debt over the five-year Capital Plan period. The capital spending increases are offset by greater underspending on capital projects than previously assumed, as well as changes in the size and timing of future bond issuances and bond sale results to date. The FY 2027 Enacted Budget personal income forecast lowered debt capacity marginally, decreasing capacity by $178 million by FY 2031. 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.

As part of the FY 2027 Enacted Budget, the Debt Reform Act was amended to include refunding bonds. Previously, refunding bonds were excluded under the Debt Reform Act, and the prior refunded bonds were treated as though they were still outstanding. This created a disconnect between the State's outstanding debt and the State's debt used to calculate capacity under the Debt Reform Act. The amendment decreased debt capacity in FY 2026 through FY 2028 and increased debt capacity in FY 2029 through FY 2031, as detailed in the chart below.

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

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Executive Budget as Amended	**23,935**	**16,491**	**10,166**	**4,336**	**1,810**	**862**
Personal Income Forecast Update	(144)	(216)	(139)	(162)	(171)	(178)
Bond Sales & Other Adjustments	821	806	655	499	337	167
Capital Re-estimates	401	1,955	2,015	1,842	2,330	2,044
Capital Adds	0	(235)	(776)	(1,465)	(2,042)	(2,813)
Technical Amendment to Debt Reform Act[2]	(291)	(71)	(18)	44	66	95
Enacted Budget	**24,722**	**18,730**	**11,903**	**5,094**	**2,330**	**177**

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

[2] Legislation included as part of the FY 2027 Enacted Budget amended the Debt Reform Act to include refunding bonds.

Localities and Authorities

The State's localities and certain public authorities rely in part on State financial assistance to meet their commitments and expenses. Unanticipated financial needs among localities and the MTA can create pressure for the State to assist and may adversely affect Financial Plan projections.

Financial Condition of New York State Localities. The largest driver of costs for most counties is Medicaid; however, the State has taken over all the growth in the Medicaid program since FY 2007 and funds the entire cost of minimum wage and homecare wage increases. In addition, certain localities outside NYC, including cities and counties, have experienced financial problems, and have been allocated additional State assistance during the last several State fiscal years. The Financial Restructuring Board for Local Governments (the "Restructuring Board") aids distressed local governments by performing comprehensive reviews and providing 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 NYC metropolitan area, including subways, buses, commuter rail, and tolled vehicle crossings. The services provided by the MTA and its operating agencies are integral to the economy of NYC 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 NYC. MTA Capital Plans also rely on significant direct contributions from the State and NYC.

<u>MTA Capital Plans.</u> The State is directly contributing $4.2 billion to the MTA's 2025-2029 Capital Plan, of which $3 billion was newly appropriated for the Capital Plan and $1.2 billion is from repurposing an existing Penn Station appropriation. Additionally, the FY 2026 Enacted Budget included adjustments to the Metropolitan Commuter Transportation Mobility Tax (MCTMT) that are anticipated to generate an estimated $31.5 billion for the 2025-2029 Capital Plan.

The State is also directly contributing $9.1 billion to the MTA's 2015-2019 Capital Plan and $3.1 billion to the MTA's 2020-2024 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 that is expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan, including $15 billion from congestion pricing revenues.

New York's Central Business District Tolling Program (CBDTP) was implemented in Manhattan on January 5, 2025, following the entry of an agreement, dated November 21, 2024, by and among the Federal Highway Administration (FHWA), NYS Department of Transportation, NYC Department of Transportation, and the Triborough Bridge and Tunnel Authority (TBTA), approving the CBDTP under the Federal Value Pricing Pilot Program (the VPPP Agreement). On February 19, 2025, the U.S. Department of Transportation delivered a letter to Governor Kathy Hochul asserting its intent to terminate the VPPP Agreement and rescind FHWA's approval of the CBDTP. In response, the TBTA and MTA filed a complaint in the U.S. District Court for the Southern District of New York. On March 5, 2026, the court vacated U.S. Department of Transportation (US DOT) attempts to terminate the CBDTP and declared that the Federal government cannot terminate the program without the consent of its project sponsors. US DOT filed a notice of appeal in the U.S. Court of Appeals for the Second Circuit on May 1, 2026.

Additionally, in October 2025, the Federal government announced that it would withhold $18 billion in funding for the MTA's Second Avenue Subway project and the Gateway Development Commission's (GDC) Hudson Tunnel Project pending an administrative review of project contracting processes. On February 2, 2026, GDC filed a lawsuit against US DOT in the Court of Federal Claims seeking a judgment to release contractually obligated grant and loan funds for the Hudson Tunnel Project. On February 3, 2026, New York and New Jersey filed a complaint in the U.S. District Court for the Southern District of New York seeking emergency relief to stop the US DOT from continuing to implement its indefinite funding freeze for the Hudson Tunnel Project. On February 6, 2026, the U.S. District Court for the Southern District of New York granted a temporary restraining order prohibiting the US DOT from continuing to withhold Hudson Tunnel Project funding for now. On February 13, 2026, the U.S. Department of Justice (US DOJ) confirmed GDC was reimbursed nearly all of its outstanding requests, with the rest processed by February 19, 2026. On April 20, 2026, GDC filed an amended complaint identifying categories of damage from the breach of contract.

On February 25, 2026, the MTA sent a letter to US DOT demanding that over $58.6 million in past due reimbursements for the Second Avenue Subway project be paid by March 6, 2026, otherwise it would be seeking expedited judicial relief. On March 17, 2026, the MTA filed a lawsuit against US DOT in the Court of Federal Claims seeking release of contractually obligated funds and consequential damages. The Court heard oral argument on April 16, 2026, and shortly before that hearing US DOJ notified the MTA it could resubmit its reimbursement requests for payment. The MTA was reimbursed for $64.6 million, which included reimbursements arising during the pendency of the case by April 21, 2026. The MTA filed an amended complaint on May 27, 2026 seeking consequential damages.

Other State Actions. MTA ridership has yet to return to pre-pandemic levels. In FY 2024, the State took substantial action to provide the MTA with additional operating revenues dedicated to help solve the MTA's fiscal crisis. This included an increase in the MCTMT in NYC, a one-time State subsidy of $300 million, an increase in NYC's contribution to the MTA for the costs of paratransit services and directing a portion of casino revenues to the MTA. To date, the MTA has received $1.5 billion in casino license fee revenue and has begun receiving gaming tax revenue from one casino in operation.

Risks to the MTA 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.

Other Risks and Ongoing Concerns

Climate Change. Climate change poses significant threats to physical, biological, and economic systems in New York and around the world. The immediate and long-term effects of climate change could adversely impact the Financial Plan in the current year or in future years. Climate change risks also increasingly fall within the maximum maturity term of current outstanding bonds of the State, which may generally be issued with a term of up to 30 years under State statute, as well as bonds issued by public authorities and municipalities. 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, wildfires, and more extreme heat.

Powerful storms affecting the State, including Hurricane Ida (September 2021), Superstorm Sandy (October 2012), Tropical Storm Lee (September 2011), and Hurricane Irene (August 2011), and more recently flooding in 2024 due to the remnants of Hurricane Beryl and Tropical Storm Debby, have demonstrated vulnerabilities in the State's infrastructure (including mass transit systems, power transmission and distribution systems, and other critical infrastructure) to extreme weather-driven events, including coastal flooding caused by storm surges and flash floods from rainfall.

To mitigate and manage the impacts of climate change, all levels of government, including municipalities and public utilities, continue to undertake a variety of actions to reduce greenhouse gas emissions and adapt existing infrastructure to the changing environment. However, given the size and scope of potential disruptions, there can be no assurance that such efforts will be adequate or timely enough to mitigate the most damaging effects of climate change.

In 2019, New York enacted the Climate Leadership and Community Protection Act (CLCPA). The CLCPA set the State on a path toward reducing statewide greenhouse gas emissions by 85 percent below the 1990 level by 2050, which reflects deadline extensions authorized in the FY 2027 Enacted Budget. Several factors may impact the ability to achieve these goals and directives, and, therefore, no assurances can be made that such objectives will be met.

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 in December 2022. In response, New York is working to develop an affordable and effective program that will drive emission reductions across all regions of the State, while maintaining the competitiveness of New York businesses and industries. Pursuant to changes included in the FY 2027 Enacted Budget, the Department of Environmental Conservation (DEC) is now required to promulgate rules and regulations by December 31, 2028 to ensure the State meets the CLCPA's statewide greenhouse gas emission limits. This extends the deadline for DEC by four years compared to the original statute. DEC has already adopted a variety of regulations to help meet this objective, which will play a key role in New York's overall policies aimed at reducing greenhouse gas emissions across the State.

New York's electricity system is already part of a regional cap-and-invest program: the Regional Greenhouse Gas Initiative (RGGI). Since RGGI began operation in 2008, the program has helped reduce greenhouse gases from power plants by more than half and raised over $3.3 billion to support cleaner energy solutions in New York and over $10.8 billion collectively among participating states.

Concurrently, the State has taken regulatory and legislative actions that are intended to limit greenhouse gas emissions, electrify transportation, and generate more electricity from renewable sources. Realization of these actions and their intended outcomes is contingent upon successful implementation, and, therefore, no assurances can be made that such actions will be realized as planned. Major actions include:

- Making a $1 billion capital investment in the FY 2027 Enacted Budget to lower building emissions, advance clean transportation and build renewable energy projects.
- Authorizing the New York Power Authority to plan, design, develop, finance, construct, own, operate, maintain, and improve renewable energy generating projects.
- 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.
- Providing direct financial investment to school districts and private transportation contractors for the purchase or lease of zero-emission school buses – to facilitate compliance with the State's July 1, 2032 deadline, with full fleet conversion and operation of zero-emission school buses required by July 1, 2040. Both deadlines were extended by five years in the FY 2027 Enacted Budget.
- Signing the Climate Change Superfund Act in December 2024, which will require companies that have contributed significantly to the buildup of climate-warming greenhouse gases in the atmosphere to pay for critical infrastructure investments to adapt to climate change.

During the November 2022 general election, New York State voters approved the Clean Water, Clean Air, and Green Jobs Environmental Bond Act and Green Jobs Bond Act. The $4.2 billion bond act is actively being implemented and is supporting substantial 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. The 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, but not limited to, hacking, viruses, ransomware, malware and other attacks on technology infrastructure. Entities or individuals may attempt to gain unauthorized access to the State's technology environment for the purpose of misappropriating assets or information or causing operational disruption and damage. In addition, the tactics used in malicious attacks to obtain unauthorized access to networks and systems change frequently and are often not recognized until launched against a target. The State may be unable to fully anticipate these techniques or implement adequate preventative measures.

The emergence of Frontier Artificial Intelligence models presents a new cybersecurity risk. These models, which may become increasingly accessible, have the potential to significantly increase the speed, scale, and sophistication of cyberattacks. Given the rapid evolution of these technologies, there can be no assurance that the State's existing defensive measures and cybersecurity controls will be sufficient to anticipate, detect, or mitigate threats utilizing such advanced methodologies.

Additionally, the State remains subject to risks arising from the complex digital supply chain, including the potential for cyber incidents originating from third-party service providers, vendors, and contractors upon whom the State relies for operational and technological services. Consequently, any compromise or vulnerability within these third-party environments could result in unauthorized access to State networks and sensitive data, or cause material operational disruptions, notwithstanding the implementation of cybersecurity controls by the State.

To mitigate these digital supply chain risks, the State utilizes procurement controls that seek to include cybersecurity vetting for third-party information technology vendors. Furthermore, to ensure resilience against ransomware or advanced threats, the State maintains data backups and other business continuity practices.

To mitigate the risk of business operations impact and damage from cyber incidents, 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, standards, programs, and services relating to the security of State government networks. The CISO is responsible for annually assessing the effectiveness of certain State agencies' cybersecurity defenses through the Nationwide Cybersecurity Review. In addition, the CISO maintains the New York State Cyber Command Center team, which possesses digital forensics capabilities, and manages cyber incident reporting and response. The CISO also distributes real-time advisories and alerts, provides managed security services, and implements Statewide information security awareness training.

The State has also developed partnerships with local governments to better address cybersecurity threats. In February 2022, the Governor announced the creation of an information-sharing partnership, the Joint Security Operations Center (JSOC). The JSOC is a partnership between the State and the cities of Albany, Buffalo, NYC, Rochester, Syracuse, and Yonkers. The JSOC combines local, State, and Federal cyber threat information 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 2027 Enacted Budget continues to invest in New York's Shared Services Program, which helps county and local governments and other regional partners acquire and deploy high quality cybersecurity services to bolster their cyber defenses.

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.

While cybersecurity procedures and controls are routinely reviewed and tested, there can be no assurance that such security and operational control measures will be successful at preventing future cyber threats and attacks. Successful attacks could adversely impact the State, including disrupting business operations, harming State networks and systems, and damaging State and local infrastructure; and the costs of remediation and recovery could be substantial.

The State's incident response protocols provide for the timely escalation of material cyber events to senior financial leadership to evaluate potential impacts on the State's financial position.

ECONOMICS AND DEMOGRAPHICS

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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.

Economic Outlook[16]

As the State began its new fiscal year, a geopolitical shock amplified the uncertainties already facing the U.S. and New York economy. The war in Iran has driven a 50 percent spike in crude oil prices since late February, pushing gasoline prices at the pump up by more than a dollar as of May. Beyond disrupting oil supplies, the ongoing closure of the vital Strait of Hormuz is affecting the broader global supply chain and driving up prices for everything from essential goods like food and airfare to manufactured products and other items reliant on transportation. While price inflation is re-accelerating, the full economic consequences of this geopolitical shock are yet to be realized.

At the onset of the war in Iran, economic expansion was at a moderate pace. U.S. real Gross Domestic Product (GDP) grew by an annualized rate of 1.6 percent in the first quarter of 2026, an improvement from the subdued pace of 0.5 percent in the fourth quarter of 2025. Consumers continued to spend despite higher inflation. Business investment surged, fueled by the high-tech sector and fiscal stimulus generated by H.R. 1. Strong corporate earnings also supported a stable job market and a stock market rally, which in turn aided consumer spending through the wealth effect. Furthermore, government spending rebounded following the record Federal government shutdown in the preceding quarter.

Prospects for the remainder of 2026 are weaker as the war continues to constrain trade flows through the Strait of Hormuz. Inflationary pressures are anticipated to weigh more heavily on consumption and investment. Higher costs are expected to compress profit margins and eventually trigger layoffs. Since the war is still evolving, the duration of supply disruptions, the extent of price increases, and the ultimate economic fallout remain unknown. DOB's baseline economic outlook expects a relatively fast resolution in the summer, with oil prices declining in the second half of 2026. Under this assumption, the U.S. economy is likely to experience a period of high inflation and low growth, with the drag on growth potentially outlasting the war. DOB forecasts U.S. real GDP growth to moderate from an average pace of 2.1 percent in 2025 to 1.9 percent in 2026 and 1.6 percent in 2027. Meanwhile, consumer price inflation is projected to rise to 3.6 percent in 2026 before decelerating in 2027 to 2.7 percent. With inflation remaining persistent through 2026, the Federal Reserve is likely to hold off on interest rate cuts until 2027 to assess inflation and labor market conditions.

[16] DOB's U.S. economic forecast incorporates the first estimate of 2026 first-quarter GDP, the personal income and outlays estimate for March 2026, the CPI report for March 2026, and the initial estimate of employment for March 2026. DOB's New York State forecast incorporates the last quarter of 2025 personal income by state data and Quarterly Census of Employment and Wages (QCEW) data. U.S. economic forecasts are reported on a calendar year basis (CY) and New York State economic forecasts for personal income, bonuses, and wages are reported on a State Fiscal Year (FY) basis. The New York State fiscal year starts April 1 and ends March 31.

A sustained period of high inflation and low growth may lead to job losses, particularly in sectors significantly reliant on energy inputs. DOB expects the labor market to soften in the latter half of 2026 and the first half of 2027 with near-stagnant job growth. Total nonfarm employment is projected to grow by a modest 0.2 percent in 2026 and 0.1 percent in 2027, slowing down further from the 0.5 percent growth in 2025. This subdued job growth is expected to push the monthly unemployment rate up to 4.8 percent by the end of 2026 and keep it elevated through 2027. Consistent with the nation's cooling labor market, New York State's employment growth decelerated through 2025 and is projected to approach stagnation. State employment growth is projected to slow to 0.2 percent in 2026 and ease further to 0.1 percent in 2027. While overall employment growth is expected to track the national pace, the State's sectoral mix leads to different growth patterns across sectors.

Recent geopolitical tensions and the associated increase in energy prices are weighing on real income growth and household purchasing power. Higher transportation and energy costs are expected to dampen consumption, with more pronounced effects in consumer-facing and transportation-intensive sectors such as retail, leisure and hospitality, and transportation and warehousing. As a result, employment in these sectors is expected to continue to decline. In contrast, growth is expected to remain resilient in high-wage industries critical to the State's labor market, particularly finance and insurance.

This divergence in employment trends across sectors is projected to contribute to uneven income growth. Higher wage sectors, including tech jobs (software, data services, and other AI-related activities), finance, and professional services, are projected to see stronger compensation gains. These sectors are more closely related to bonuses and capital market activity. In contrast, wage growth in lower-wage sectors is expected to moderate alongside softer demand conditions. These differences have implications for income distribution, tax revenue composition, and the State's sensitivity to economic and financial market fluctuations.

Wage growth in New York State is estimated to be 5.1 percent in FY 2026, exceeding the national growth rate of 4.2 percent. The State's performance reflects both slightly stronger overall employment growth and an expected increase in bonus compensation. Total bonuses are expected to have grown by 9.3 percent in FY 2026. DOB expects bonus growth to decelerate to 6.3 percent in FY 2027 as financial sector profitability faces headwinds from geopolitical tensions, monetary policy uncertainty, and elevated market volatility. While State and national employment growth are expected to follow similar trajectories in FY 2027, State wage growth is expected to outpace the nation, 4.1 percent compared to 3.8 percent, supported by bonus growth.

Personal income growth in New York is likewise projected to modestly exceed the national rate, increasing by 4.7 percent in FY 2026 compared with 4.4 percent nationally, and by 3.9 percent in FY 2027, approximately 0.3 percentage points above the national rate in both years. This relative strength reflects the State's concentration of high-income earners.

ECONOMIC INDICATORS FOR THE UNITED STATES (Calendar Year)	2021	2022	2023	2024	2025	2026 [1]
Gross Domestic Product						
Nominal ($ billions)	$23,725.6	$26,054.6	$27,811.5	$29,298.0	$30,762.1	$32,531.5
Percent Change	11.0	9.8	6.7	5.3	5.0	5.8
Real (billions of 2017$)	$21,532.4	$22,075.9	$22,723.7	$23,358.4	$23,850.4	$24,314.4
Percent Change	6.2	2.5	2.9	2.8	2.1	1.9
Personal Income						
($ billions)	$21,498.9	$22,153.8	$23,585.0	$24,905.9	$26,099.9	$27,073.4
Percent Change	9.5	3.0	6.5	5.6	4.8	3.7
Nonfarm Employment						
(millions)	146.3	152.5	155.9	157.7	158.4	158.7
Percent Change	2.9	4.3	2.2	1.2	0.5	0.2
Unemployment Rate (%)	5.4	3.7	3.6	4.0	4.3	4.5
Consumer Price Index						
(1982-84=100)	271.0	292.6	304.7	313.7	323.3	334.0
Percent Change	4.7	8.0	4.1	3.0	2.7	3.6

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 April 2026.

ECONOMIC INDICATORS FOR NEW YORK STATE (State Fiscal Year)	2022	2023	2024	2025	2026 [1]
BEA Personal Income					
($ billions)	$1,497.3	$1,546.1	$1,640.8	$1,719.5	$1,797.6
Percent Change	1.9	3.3	6.1	4.8	4.5
Nonfarm Employment					
(thousands)	8,920.6	9,308.3	9,495.0	9,712.0	9,765.6
Percent Change	7.1	4.3	2.0	2.3	0.6
Wages					
($ billions)	$800.1	$841.4	$878.2	$942.6	$991.0
Percent Change	12.4	5.2	4.4	7.3	5.1
Unemployment Rate (NSA, %)	6.2	4.1	4.0	4.2	4.4

Sources: Personal income data are based on U.S. Bureau of Economic Analysis; employment and wage 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 April 2026.

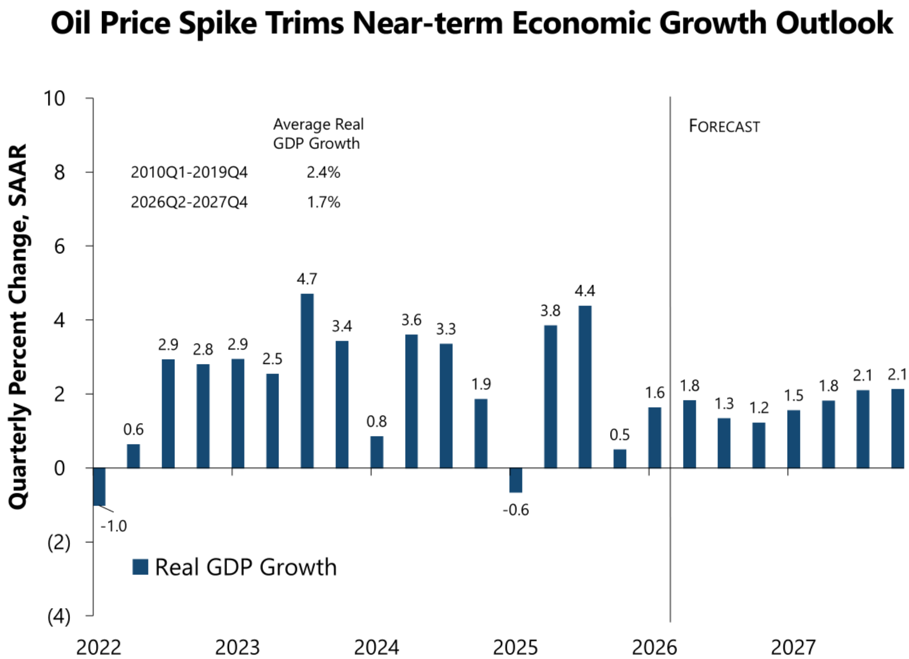
DOB's economic outlook incorporates the impact of the war in Iran. Future risks of sustained high inflation, rising long-term inflation expectations, or a significant drop in consumer confidence leading to reduced spending would negatively impact the baseline scenario, if they materialize in 2026. Furthermore, the potential for a high-tech investment bubble to burst could destabilize financial markets and New York State's financial sector, and adversely affect the outlook. Potential recessionary scenarios stemming from these risks will be detailed in the concluding risk section.

Real Output Growth

Before the war in Iran commenced on February 28, the economic outlook for 2026 was more favorable than for 2025, buoyed by diminished tariff headwinds, stimulus from H.R.1, and the expectation of further Federal Reserve rate reductions. The moderate real GDP growth of 1.6 percent in the first quarter of 2026 reflected this underlying resilience in the U.S. economy. Consumer spending posted solid gains in February and March and contributed to over half of the real GDP growth in the first quarter. Resilience in consumer spending came from continued strength in wage earnings and non-wage personal incomes, especially among high-income households who have also benefited from recent equity price appreciation. Additionally, while a significant portion of the higher tax refunds from H.R.1 in the 2026 tax season was used to pay off debts, the remaining amount served as a buffer against the impact of rising gas prices on household budgets. Another significant contributor to the first-quarter real GDP growth was tech-related business investment, especially in information processing equipment and intellectual property products. The surge of these high-tech investments more than offset declines in residential and non-residential structure investments.

As the war in Iran enters its fourth month, its negative impact on the real economy is expected to become more evident in the second quarter of 2026. Consumers, especially those with lower incomes, are hit hardest as increased spending on gasoline and utility bills erode their purchasing power, leaving less disposable income for other goods and services. This impact is already reflected in high-frequency credit and debit card data released by Bank of America, which showed a pullback in discretionary spending in April, particularly among lower- and middle-income households. Real personal consumption expenditure data released by the Bureau of Economic Analysis confirmed the slowdown of real spending in April. Furthermore, the blockade of the Strait of Hormuz is disrupting not only oil and natural gas exports but also the flow of crucial industrial materials such as aluminum, steel, and helium, a key component in semiconductor chip production. These raw material shortages, coupled with high input costs, are poised to create production bottlenecks and hinder investment growth.

Even if the Strait of Hormuz reopens soon, it will take weeks and more likely months for upstream oil and gas production to recover to pre-war levels. Other affected industrial production will likely require even longer. DOB estimates that U.S. real GDP growth will dip below its potential rate for the remainder of 2026, with gradual recovery anticipated in 2027. Annual U.S. real GDP growth is projected to slow to 1.9 percent in 2026 and 1.6 percent in 2027. While high-tech investments are expected to bolster GDP growth during this period, elevated capital costs, shifts in trade policy, and other policy uncertainties may dampen business investment beyond 2027. An upside risk to this outlook is the potential for significant productivity gains from high-tech investments, driving innovation and efficiency in the longer term.



Source: Haver Analytics/BEA; DOB staff estimates.

Inflation Pressures

Prior to the war in Iran, inflation was trending towards the Federal Reserve's 2.0 percent target. By February 2026, year-over-year CPI inflation had decelerated to 2.4 percent. However, the war triggered a rapid surge in crude oil prices to approximately $100 per barrel. Consequently, AAA retail regular grade gasoline prices climbed to $4.50 per gallon by late May, an increase of $1.50 (50 percent) from its February 27 level of $3.00. This rapid increase in gasoline prices is unprecedented, outpacing all historical oil price shocks and diverging from the empirical relationship between crude oil and gasoline prices observed in the past. The inflationary pressure is not limited to gasoline. Airfares and items reliant on transportation are highly susceptible to gas and fuel costs. In addition, global prices for natural gas, coal, electricity, and energy-intensive chemicals, including those crucial for fertilizers, are also rising. As essential inputs to food and manufactured goods, these escalating costs signal broader price pressures. By May, the energy component of CPI had surged 23.5 percent from a year ago, pushing headline CPI inflation to 4.2 percent. While inflation is expected to continue rising in the coming months as higher energy prices spread to other categories, these inflationary pressures should be partly contained if energy prices stabilize. Continued cooling in shelter inflation and fading tariff-related increases should keep inflation from rising even further.

DOB projects annual CPI inflation to rise to 3.6 percent in 2026, up from 2.7 percent in 2025. This projection assumes the resolution of the war in Iran by summer and a subsequent decline in crude oil prices to $80 per barrel by year-end. CPI inflation is then anticipated to return to 2.7 percent in 2027. Beyond 2027, DOB expects consumer price inflation to gradually moderate towards the 2.0 percent target, provided that long-term inflation expectations remain anchored.

While consumers in New York experience the same oil price shocks as the rest of the nation, NYC's extensive reliance on mass transit – its robust subway and bus systems – offers a degree of insulation for typical households from direct fuel cost increases. However, this buffering effect is less pronounced for services directly tied to fuel consumption. Rideshare services, taxi fares, and airfares originating from NYC airports, for instance, tend to surge rapidly in response to rising oil prices.

Labor Markets

The U.S. labor market demonstrated renewed resilience in early 2026, a notable turnaround from the slowdown experienced in 2025. As of this writing, nonfarm employment grew by an average of 76,000 jobs per month from January to April 2026, an improvement over the 9,700 jobs added monthly in 2025. The unemployment rate held steady at 4.3 percent in April, the same as January's rate. While the labor market is stabilizing in the aggregate, its strength has been largely concentrated in the healthcare sector with hiring in other sectors remaining subdued amid slower labor force growth. In addition, government sector employment continued to decline, driven by Federal workforce reductions. The Federal government shed another 57,000 jobs in early 2026 after reducing its workforce by 287,000 in 2025. Cumulatively, over 10 percent of the Federal workforce has been eliminated since January 2025.

Escalating input costs, driven by the war in Iran, are anticipated to squeeze corporate profit margins and dampen economic growth, likely resulting in job losses later this year. Sectors with significant reliance on energy inputs, such as construction, manufacturing, and transportation, face the greatest downsides. Research suggests that job losses in those sectors typically follow sustained energy price hikes within 5-6 months.[17] Therefore, DOB expects the labor market to soften in the latter half of 2026 and the first half of 2027, with near-stagnant job growth. Total nonfarm employment is projected to grow by a modest 0.2 percent in 2026 and 0.1 percent in 2027, slowing down further from the 0.5 percent growth in 2025. This subdued job growth is expected to push the monthly unemployment rate up to 4.8 percent by the end of 2026 and keep it elevated through 2027. Annually, the unemployment rate is projected to average 4.5 percent in 2026 and 4.7 percent in 2027.

Facing the same headwinds as the rest of the nation, New York State is entering a period of slower but still positive economic growth, shaped by demographic constraints and heightened external risks impacting certain sectors. Total statewide employment grew by 0.9 percent in 2025 and is projected to further slow down to 0.2 percent in 2026 and 0.1 percent in 2027. The moderation is consistent with recent trends characterized by cautious business expansion, slower private sector hiring, and increasing reliance on replacement hiring rather than net job creation, resulting in a low layoff, low hire environment.

[17] Koirala, N. P., & Ma, X., 2020. Oil price uncertainty and U.S. employment growth. Energy Economics, 91, 104910. Available at https://www.sciencedirect.com/science/article/abs/pii/S0140988320302504https://www.researchgate.net/publication/343541815_Oil_Price_Uncertainty_and_US_Employment_Growth.

New York State's private sector job growth will continue to be driven by gains in health care and social assistance[18], transportation and warehousing, finance and insurance, and education sectors in 2026. Healthcare and social assistance remain the dominant source of employment gains both in New York and the U.S., driven by aging populations and long-term care needs. Federal restraint in healthcare spending is expected to contribute to financial pressure on providers, leading to possible staffing reductions and facility closures, specifically impacting hospitals and nursing homes. Consequently, growth in the sector is projected to slow down by nearly half from 3.7 percent in 2025 to 1.9 percent in 2026.

Finance and insurance employment growth tends to be cyclical, reflecting its sensitivity to financial market conditions. The sector's employment growth increased from 0.1 percent in 2024 to 1.8 percent in 2025, driven by strong performance among financial firms. Over the same period, the securities subsector grew at roughly twice the pace of financial sector employment growth, reflecting resilient labor demand in that subsector. Finance and insurance employment is projected to grow by 0.7 percent in 2026, remaining stronger than the State's overall job growth rate, supported by sustained demand for financial securities across commercial and institutional sectors.

Weaknesses in other sectors will offset some of these strengths in New York State labor markets. The information sector employment is projected to decline by 2.1 percent in 2026 following a 3.0 percent decline in 2025, but the aggregate decline masks divergent subsector trends. Legacy media, publishing, telecommunications, and parts of motion picture and sound recording continue to face structural pressures from changing consumer behavior, consolidation, and cost-cutting. This part of the sector's employment has been on a downward trend since the 2000s. By contrast, computer systems design, software-related activities, and other technology services have expanded. New York continues to benefit from a highly educated workforce, a strong concentration of research institutions, and demand for technology services across a diverse set of industries, including finance, healthcare, and professional services. DOB expects technology employment in New York to continue growing as ongoing investments in software, data analytics, cybersecurity, cloud computing, and AI-related applications are expected to support demand for technology workers.

New York's leisure and hospitality employment growth lagged the national pace and is expected to stay weaker, partially due to a sharp decline in international visitors. According to a report by the NYS Comptroller, the number of international travelers fell by 3 percent, exceeding the national decline of 2.5 percent.[19] The number of visitors from Canada had a more pronounced slowdown, falling about 21 percent between 2024 and 2025 and continued to decline in the first four months of 2026, though at a slower pace. Combined with elevated food and accommodation prices, the decline in international tourism is expected to keep the State's leisure and hospitality job growth below the national pace.

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[18] The healthcare and social assistance industry has undergone restructuring of the Consumer Direct Personal Assistant Program (CDPAP) employment from NYC to the rest of the State in 2025, which makes employment measured growth in NYC appear weaker than underlying trends, while not affecting statewide totals.

[19] https://www.osc.ny.gov/press/releases/2026/04/dinapoli-federal-tariffs-and-other-actions-hurt-tourism-and-ny-exports.

Construction is another area where employment is projected to remain weak (-0.8 percent in 2026), especially in the near term. Construction activity remains strong in the Capital Region, Central New York, and parts of Western New York due to major infrastructure and semiconductor-related projects as well as utility upgrades. However, higher interest rates, rising material costs, labor shortages, and tariff pressures affecting key inputs such as Canadian lumber continue to weigh on residential and commercial markets, especially in downstate regions.

New York's employment forecast also reflects the higher oil prices that remain near $100 per barrel. Manufacturing, trade, transportation, and professional services are some of the sectors most vulnerable to prolonged energy-price shocks besides construction and are expected to either lose jobs or have lower employment growth in 2026.

New York's labor force growth was weaker than the nation's in 2025, 0.7 percent vs 1.6 percent. The slower growth reflects the State's limited population growth and aging workforce. With fewer workers entering the labor force, the State requires lower levels of job creation to keep the unemployment rate stable. Consequently, despite slower employment growth, New York's unemployment rate is projected to increase by only 0.2 percentage points from 2025 to 4.5 percent in 2026, the same as the U.S. rate. It is projected to be 4.6 percent in 2027, slightly lower than the national rate of 4.7 percent.

Personal Income Growth

Personal income is a key determinant of consumer spending, which constitutes approximately 70 percent of the U.S. economy. Moreover, income taxes represent a major component of overall Federal and State government receipts. Therefore, understanding near-term trends in personal income growth is crucial for assessing the economic outlook and the State's fiscal health. In the first quarter of 2026, U.S. personal income expanded at an annualized rate of 3.3 percent, up from 2.4 percent in the preceding quarter. Stronger growth in wages, rental and dividend income, and larger farmers' assistance more than offset a decrease in Affordable Care Act benefits in the quarter. Despite strength in nominal income, higher inflation weighed on real disposable income after the war in Iran began. Inflation-adjusted disposable income in April 2026 showed a 1.1 percent decline from a year ago, its slowest pace since October 2022 when CPI inflation was at 7.7 percent.

DOB expects slow job growth and higher unemployment to weigh on aggregate growth in wages and salaries. U.S. wage growth is projected to decelerate from an annual rate of 4.6 percent in 2025 to 4.1 percent in 2026 and 3.1 percent in 2027. Meanwhile, growth in the non-wage components of U.S. personal income is also expected to moderate in the coming quarters; in particular, anticipated financial market turbulence and weakening corporate profits will become a drag on dividend income. On balance, DOB forecasts U.S. personal income growth to moderate to 3.7 percent in 2026 and 3.5 percent in 2027, from 4.8 percent growth in 2025. Consistent with DOB's inflation projection, real disposable income is expected to decline in the coming quarters, potentially straining consumer spending.

Wage growth in the State is projected to be 5.1 percent in FY 2026, outpacing the national rate of 4.2 percent, supported by strong employment conditions in 2025 and solid bonus payments. Although employment growth is expected to converge to 0.1 percent for both the State and the nation in FY 2027, State wage growth is projected to remain higher at 4.1 percent, compared to 3.8 percent nationally, reflecting continued, though moderating, support from bonus income.

Stronger wage growth in both FY 2026 and FY 2027 is expected to support personal income gains in the State. Personal income is projected to increase by 4.7 percent in FY 2026, slightly above the national rate of 4.4 percent. In FY 2027, personal income growth is projected at 3.9 percent in the State, compared to 3.6 percent nationally.

Interest Rates, Stock Prices, and Financial Sector Bonuses

The Federal Reserve maintained the target range for the Federal Funds rate at 3.50 – 3.75 percent throughout its three Federal Open Market Committee (FOMC) meetings in early 2026. Growing concerns over inflation have prompted the FOMC to adopt more neutral language, moving away from an easing stance. In light of these developments, DOB anticipates that the Federal Reserve will keep interest rates steady before inflation sustainably retreats. Consistent with DOB's inflation outlook, two additional 25-basis-point rate cuts are warranted for 2027 to support maximum employment. DOB anticipates the target rate will come down to 3.00 – 3.25 percent by the end of 2027.

In contrast to stable short-term interest rates, long-term interest rates have climbed since February due to rising inflation expectations reflecting fears that energy prices will not retreat quickly. Traditionally, long-term rates can be decomposed into the sum of inflation expectations, expected real short-term interest rates, and the term premium—the extra compensation bond investors require to hold a long-term security rather than a short-term one, given the uncertainties involved in longer-term investing. The 10-year Treasury bond yield rose 60-basis points to 4.6 percent by late May, up from 4.0 percent at the end of February. Similarly, the 30-year fixed mortgage rate increased by 50 basis points to 6.5 percent during the same period. Two-fifths of the 10-year rate increase was attributed to higher inflation expectations, according to Moody's Analytics estimates. With sustained near-term inflation expectations, these elevated long-term rates are predicted to persist likely dampening durable goods consumption, residential construction, and business investment through 2027.

The stock market appears to have quickly overcome the initial shock of the war in Iran. After dropping 8 percent in the first month of the war, the S&P 500 stock price index fully recovered its losses by April and continued reaching new highs in May. As of the close of May, the S&P 500 index was trading 8 percent higher than its February 27 level. Key contributors to this recent market rally include strong first-quarter corporate earnings, ongoing enthusiasm for artificial intelligence and the tech sector, and favorable business tax policies under H.R.1. DOB anticipates a slowdown in earnings expectations and stock valuations as elevated inflation erodes corporate profit margins, diminishes consumer purchasing power, and potentially leads to layoffs. In this highly uncertain environment, heightened market volatility is expected to persist throughout 2026. While not forecasting an outright bubble, the economic outlook recognizes that the potential for a substantial stock market correction remains. The S&P 500 index is projected to experience slower growth in 2026 compared to 2025, providing less support for household spending through the wealth effect.

New York's finance and insurance sector bonuses are projected to increase by 7.3 percent in FY 2027, following an estimated growth of 9.5 percent in FY 2026. The 2026 environment presents a mix of pressures and opportunities for financial firms. While elevated costs, tighter financial conditions, and ongoing global uncertainty continue to pose challenges to bank revenues, several factors are expected to support activity. These include continued investment in artificial intelligence and energy related infrastructure development. These trends in bonuses are closely tied to underlying financial market conditions, which shape deal making activities in the sector.

Financial market conditions, which summarize overall credit availability, demand, liquidity, and costs, are expected to remain generally supportive of banks' performance. However, these conditions are sensitive to changes in interest rates, market volatility, and investor risk appetite. While IPO activity is expected to improve relative to subdued levels in prior years, the recovery is likely to remain selective, with issuance concentrated among larger, higher-quality firms rather than reflecting a broad-based reopening. As a result, IPO underwriting revenues are expected to provide continued support to bonuses, but at a more moderate pace than in FY 2026.

Market attention continues to focus on a small number of highly anticipated potential IPOs in technology, fintech and artificial intelligence sectors. These include firms such as SpaceX, OpenAI, Stripe, and Databricks, among others. However, the timing and ultimate realization of these transactions remain uncertain. The successful listing of one or more of these offerings would provide support to investment banks' revenues, and associated bonus pools. They are not explicitly incorporated into this forecast. DOB will continue to closely monitor developments of IPO pipelines and incorporate updated information into future forecast revisions as these transactions become more certain.

Debt underwriting activity is expected to remain an important stabilizing component of investment banking revenues this year. Elevated refinancing needs, driven by maturing corporate and commercial real estate debt originated during the low-interest-rate period, are expected to support issuance volumes. However, higher funding costs and tighter credit conditions relating to the pre-tightening cycle are expected to moderate debt issuance.
Taken together, these trends suggest that financial sector bonus growth in FY 2027 will remain positive but moderate relative to FY 2026.

Risks to the Economic Outlook

Rising geopolitical tensions and higher energy prices have increased risks to the economic outlook in 2026 and beyond. Higher inflation, slower growth, and tighter financial conditions could weigh on U.S. and New York State economic activity more heavily than projected in DOB's baseline scenario. The current environment is subject to four key risk avenues: energy shock and inflation, consumer spending vulnerability, financial market vulnerability, and monetary policy uncertainty. These risks could develop into recessionary scenarios. While DOB's baseline forecast does not anticipate a recession, significant uncertainty persists across energy markets, inflation, consumer spending, financial markets, monetary policy, and real estate markets.

Energy Shock and Inflation Risk

Inflation risks are tilted to the upside. The ongoing negotiations between the U.S. and Iran to end the war and reopen the Strait of Hormuz remain unresolved as of late May, potentially prolonging the war-related supply disruptions. Historically, oil shocks have often been associated with slower growth, higher unemployment, and increased inflation. Several forecasters have warned that a sustained increase in crude oil prices above current levels could significantly elevate recession risks. Scenario analyses indicated that a prolonged period of oil prices exceeding $140 per barrel would significantly escalate inflationary pressures, extending beyond gasoline prices to affect transportation, utility, and industrial input costs.

Such a price shock could push the economy into a recession by weakening household purchasing power and reducing discretionary spending, creating production bottlenecks in energy-reliant industries and delaying other business investment decisions, increasing financial stress, and ultimately leading to layoffs as companies struggle with shrinking profit margins. Reflecting these concerns, the Blue Chip Consensus placed the probability of a U.S. recession occurring in the next 12 months at 35 percent in May, up from 32 percent in February, and the Wall Street Journal Economic Forecasting Survey showed a similar rise in recession probability from 27 percent in January to 33 percent in April. However, these estimates have not yet surpassed the 50 percent threshold commonly used to trigger recession predictions.

Consumer Spending Vulnerability

Soaring inflation and the highest interest rates in decades could also push households, particularly low-income ones, to their financial limit. In the first quarter of 2026, the percentage of credit-card balances that were at least 90 days delinquent rose to 13.1 percent, according to data released in May by the Federal Reserve Bank of New York. That is the highest level in 15 years, and the most since the period following the 2008 financial crisis. Similarly, the Conference Board Survey of Consumer Confidence fell by 19.3 points over the last three months. A drop of 20 points or more has historically portended a recession. All these statistics signaled that the consumer sector could be more vulnerable than expected in our baseline scenario.

Financial Market Vulnerability

Despite external shocks like the war in Iran, equity markets are showing surprising resilience, largely fueled by optimism surrounding advancements in artificial intelligence. If capital investment and productivity gains from these technologies continue to exceed expectations, financial conditions could remain supportive of consumer spending and broader economic activity. Nevertheless, financial market performance has become increasingly concentrated in a small number of such tech firms. Currently, the 10 largest companies in the S&P 500 represent almost 40 percent of the index's total market capitalization. In comparison, at the peak of the dot-com bubble in the late 1990s, the ratio was almost 30 percent. These firms, trading at high equity valuations relative to their earnings expectations, make the financial market more vulnerable to shifts in investor sentiment, weaker-than-expected corporate earnings, or regulatory conditions. A slowdown in capital investment or disappointing earnings from these tech giants could trigger a market correction (10-20 percent stock price decline) or even a bear market (over 20 percent decline), echoing the dot-com bubble. Given that high-income households drive a substantial share of overall spending, a financial market downturn would disproportionally hurt these high-income households' economic activity through the wealth effect.

The forecast for New York's economy shares many of the same risks as the national outlook but also faces additional challenges due to the State's unique economic structure. As the global financial capital, New York is particularly vulnerable to shifts in monetary policy and changes in financial market conditions. A period of weaker market performance or tighter financial conditions would weigh on Wall Street profits, bonuses, and related State and local tax revenues. These effects would also spill over to supporting industries such as legal, accounting, consulting, and business services, as well as local consumer-facing sectors. By contrast, sustained market stability and continued demand for financial and professional services would provide an important source of support for employment and income growth across the State economy

Monetary Policy Uncertainty

Monetary policy risks center on the timing and magnitude of future Federal Funds rate decisions. The Federal Reserve faces a challenging environment to bring inflation back to its 2 percent target due to persistent supply-side pressures (tariffs, energy, and geopolitical shocks) and potential demand-side pressures (more resilient consumer spending and higher tech-driven business investment). The war in Iran has exacerbated risks to both sides of the mandate: higher inflation calls for rate hikes or maintaining the current rate for longer, whereas slower growth with higher unemployment suggests additional rate cuts. The critical determinant is likely to be inflation expectations. If inflation expectations rise more than expected, the Federal Reserve may be compelled to raise rates to re-anchor expectations, even at the cost of further weakening the job market. Although the Federal Reserve has kept short-term rates unchanged, the recent rise in long-term Treasury yields suggests that financial conditions have continued to tighten even without additional rate hikes.

The ongoing Federal Reserve leadership transition introduces additional complexity. Uncertainty surrounding new leadership's agenda and the Federal Reserve's independence is a key concern. For example, if new and nontraditional metrics, such as the trimmed-mean inflation measures which exclude extreme price outliers, are adopted in making monetary policy decisions, timing and magnitude of policy rate cuts or increases could differ from historical norms.

Rising long-term rates, particularly mortgage rates, are also significant risk factors to New York's commercial real estate market. Although leasing activity and occupancy have improved from post-pandemic lows, Manhattan office vacancy rates remain elevated relative to pre-2020. Higher interest rates and refinancing costs could further constrain property valuations and reduce income growth for building owners. Given the central role of commercial real estate in supporting construction activity, property services, and local employment in NYC, prolonged weakness in this sector could weigh on investment, employment, and property tax revenues even as broader market conditions stabilize.

Upside Risks

Despite these downside risks, several upside risks to the outlook remain. A faster resolution to geopolitical tensions and an improvement in global supply conditions could lower inflation pressures and support stronger consumer spending and business investment. Meanwhile, continued advances in technology could support productivity growth, business investment, and corporate earnings. If significant productivity gains arrive faster than expected, economic growth could remain more resilient, financial market conditions would stabilize, and inflation could moderate more quickly as higher productivity helps offset rising costs and support real wage growth.

For New York, a faster-than-expected normalization in capital market activity, including stronger-than-anticipated IPO and merger and acquisition pipelines, could provide additional support to financial sector earnings and wage growth. In particular, the realization of some large-scale IPO offerings currently in the market pipeline would provide upside risk to underwriting revenues and related bonus pools, although timing and execution remain uncertain. In addition, continued progress in office-to-residential conversions may help reduce excess commercial supply and support stabilization in property values more quickly than currently assumed. State and private-sector initiatives aimed at expanding housing supply and fostering growth in advanced industries, including semiconductor manufacturing, biotechnology, and artificial intelligence–related applications, could further enhance long-term economic growth prospects.

Economic and Demographic Trends

For most of the past 35 years, the State's rate of economic, employment, and population growth has trailed the nation. 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 following table compares population changes in the State and the United States since 1980. The State population has returned to 1.0 percent below its level in 2020. Between April 2020 and July 2025, the nation's total population continued to increase by 3.1 percent. New York experienced population declines during pandemic years (2020-2022), totaling 490,671. Over the past three years, New York has seen population gains. However, according to the July 2025 population estimates, the growth stalled in 2025, with the State's population remaining essentially unchanged at 20 million residents.

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	20,201	4.2	6.1	331,449	7.4
2025	20,002	(1.0)	5.9	341,785	3.1

Note: All population numbers are based on the Decennial Census, except for 2025.
Source: U.S. Census Bureau.

The State's economy is diverse, with a 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.

THE COMPOSITION OF NONFARM EMPLOYMENT AND WAGES (2025) (Percent)	Employment		Wages	
	New York	U.S.	New York	U.S.
Natural Resources and Mining	0.1	0.4	0.1	0.8
Construction	3.9	5.2	3.6	5.5
Manufacturing	4.1	8.0	3.5	8.8
Trade, Transportation, and Utilities	14.9	18.1	10.5	15.0
Information	2.7	1.8	5.9	4.3
Financial Activities	7.6	5.8	20.0	9.5
Professional and Business Services	14.1	14.1	18.9	19.2
Educational and Health Services	24.2	17.3	15.8	14.0
Leisure and Hospitality	9.4	10.7	4.9	5.1
Other Services	3.8	3.8	2.7	3.1
Government	15.2	14.8	14.0	14.7

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis.

Total State nonfarm employment has declined as a share of national nonfarm employment compared with the 1980s and 1990s. The share remained at 6.2 percent since 2020 and edged up to 6.3 percent in 2025. 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	109,527	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	8,817	142,186	6.2	9.9	8.1
2025	9,953	158,457	6.3	4.3	4.3

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. Because NYC 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	$11,006	$10,184	1.08
1990	$23,992	$19,619	1.22
2000	$35,955	$30,551	1.18
2010	$48,579	$40,557	1.20
2020	$70,352	$59,151	1.19
2025	$88,847	$76,393	1.16

Source: U.S. Bureau of Economic Analysis.

STATE FINANCIAL PLAN MULTI-YEAR PROJECTIONS

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Introduction

This section presents the State's multi-year projections for receipts and disbursements, with an emphasis on FY 2027 projections.

The DOB's budget development and quarterly update process includes a comprehensive evaluation and routine update of the State's multi-year operating forecast. Estimates and projections in the later years of the Financial Plan are typically subject to greater revision than those in the current year and first "outyear." Accordingly, FY 2028, as the first "outyear," is the most relevant from a planning perspective.

The State budgets on a cash basis, using a complex fund structure that earmarks certain tax receipts for specific purposes, which often complicates the reporting and discussion of the State's receipts and disbursements projections. To minimize potential distortions caused by these factors and to highlight relevant aspects of the projections, DOB adopts certain approaches in summarizing projections.

Receipts

Financial Plan receipts 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 in consultation with the Department of Taxation and Finance and other agencies, which collect State receipts, and are based on economic analysis and forecasting.

Underlying growth in tax receipts (i.e., growth not due to law changes) 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.

General Fund tax receipts are further affected by the deposit of dedicated taxes in other funds for debt service and the STAR program. Changes in debt service on State-supported revenue bonds also 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. Accordingly, amounts transferred to the General Fund which are more than amounts needed for certain debt service obligations (e.g., PIT receipts in excess of the amount transferred to debt service on revenue bonds), may be excluded from some tables displaying General Fund tax receipts.

Projections of Federal receipts generally reflect anticipated spending levels for programs supported by Federal aid, including Medicaid, public assistance, mental hygiene, education, public health, and other activities.

State and All Funds receipts reflect 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). Thus, State and All Funds receipts provide a clearer picture of projected receipts, trends, and forecast assumptions, as they exclude distortions created by earmarking tax receipts for specific purposes.

Disbursements

To provide a more comprehensive representation of spending commitments, the multi-year spending projections, growth rates, and summary of annual changes are presented on a State Operating Funds basis. This presentation provides a clearer picture of State spending, as it includes spending that is supported by and accounted for in dedicated Special Revenue Funds. Roughly one-quarter of projected State-financed spending for operating purposes (excluding transfers) is reported outside the General Fund, and primarily impacts spending on health, School Aid, higher education, and transportation.

Multi-year disbursements projections reflect a range of factors, including statutorily indexed rates intended to limit spending on 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 and service. 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, as authorized spending levels included in budget bills annually are often not all disbursed in a single 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) are adjusted to reflect aggregate spending trends and patterns observed between estimated and actual results over time, as well as anticipated future spending trends.

The following table presents the Financial Plan multi-year projections for State Operating Funds, along with a reconciliation between State Operating Funds projections and General Fund budget gaps.

STATE OPERATING FUNDS PROJECTIONS (millions of dollars)	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
RECEIPTS					
Taxes	126,026	128,879	131,689	136,323	142,335
Miscellaneous Receipts/Federal Receipts	32,469	28,806	23,613	24,193	24,233
Total Receipts	**158,495**	**157,685**	**155,302**	**160,516**	**166,568**
DISBURSEMENTS					
Assistance and Grants	105,169	116,599	117,979	122,778	130,657
State Operations	26,056	28,507	29,599	29,781	30,232
Personal Service	18,322	19,852	20,837	20,857	20,996
Non-Personal Service	7,734	8,655	8,762	8,924	9,236
General State Charges	11,835	12,846	13,833	14,938	16,113
Pension Contribution	3,141	3,771	4,242	4,720	5,048
Health Insurance	6,137	6,549	6,953	7,461	8,186
All Other	2,557	2,526	2,638	2,757	2,879
Debt Service	5,750	3,175	3,749	5,944	6,508
Total Disbursements	**148,810**	**161,127**	**165,160**	**173,441**	**183,510**
Net Other Financing Sources/(Uses)	(7,993)	(1,183)	(1,868)	(1,780)	(2,241)
RECONCILIATION TO GENERAL FUND GAP					
Designated Fund Balances:	(1,692)	4,625	5,337	4,179	4,442
General Fund	738	1,620	3,068	3,253	3,421
Special Revenue Funds	(2,443)	3,020	2,284	941	1,035
Debt Service Funds	13	(15)	(15)	(15)	(14)
GENERAL FUND BUDGET SURPLUS/(GAP)	**0**	**0**	**(6,389)**	**(10,526)**	**(14,741)**

Receipts Summary

All Funds receipts are projected to total $270.6 billion in FY 2027, a 1.8 percent ($4.7 billion) increase from FY 2026 results. FY 2027 State tax receipts, excluding one-time tax refund payments, are projected to increase $4.7 billion (3.7 percent) from FY 2026 actuals.[20] FY 2028 State tax receipts are projected to total $133.1 billion, a 1.5 percent increase from FY 2027. A summary of the annual changes of each tax category is provided below with the narrative that follows focused on State/All Funds receipts.

ALL FUNDS RECEIPTS
(millions of dollars)

	FY 2025 Actuals	FY 2026 Actuals	Change	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
Personal Income Tax	61,201	67,410	10.1%	69,137	2.6%	71,399	3.3%	74,302	4.1%	78,472	5.6%
Consumption/Use Taxes	22,352	23,585	5.5%	24,355	3.3%	25,088	3.0%	25,766	2.7%	26,438	2.6%
Business Taxes	31,373	33,255	6.0%	33,820	1.7%	33,493	-1.0%	34,398	2.7%	35,401	2.9%
Other Taxes	2,586	3,230	24.9%	3,010	-6.8%	3,170	5.3%	3,312	4.5%	3,468	4.7%
Total State Taxes	**117,512**	**127,480**	**8.5%**	**130,322**	**2.2%**	**133,150**	**2.2%**	**137,778**	**3.5%**	**143,779**	**4.4%**
Net PTET/PIT Receipts[1,2]	(3,481)	(3,082)	11.5%	(256)	91.7%	(57)	77.7%	(435)	-663.2%	(690)	-58.6%
Inflation Refund Payment[3]		2,035									
Energy Rebate Payment				1,040							
Total State Taxes (Adjusted)	**114,031**	**126,433**	**10.9%**	**131,106**	**3.7%**	**133,093**	**1.5%**	**137,343**	**3.2%**	**143,089**	**4.2%**
Miscellaneous Receipts	34,761	40,590	16.8%	41,460	2.1%	37,863	-8.7%	37,961	0.3%	35,421	-6.7%
Federal Receipts	96,713	98,900	2.3%	98,027	-0.9%	93,027	-5.1%	94,246	1.3%	90,470	-4.0%
Total All Funds Receipts	**248,986**	**266,970**	**7.2%**	**269,809**	**1.1%**	**264,040**	**-2.1%**	**269,985**	**2.3%**	**269,670**	**-0.1%**
Total All Funds Receipts (Adjusted)[1,3]	**245,505**	**265,923**	**8.3%**	**270,593**	**1.8%**	**263,983**	**-2.4%**	**269,550**	**2.1%**	**268,980**	**-0.2%**

1 Net PTET/PIT Receipts is the difference between the estimated realization of PTET credits by PIT filers and the PTET receipts from entities, and is excluded from adjusted totals.

2 FY 2025 PTET/PIT credits have been restated to reflect the reevaluation of Tax Year 2024 PTET credits that increases the amount of PTET related PIT credits recognized. This restatement is Financial Plan neutral and does not impact total tax receipts.

3 All Funds tax receipts are adjusted to exclude the enacted payment of $2 billion to New Yorkers through inflation tax refund payments to qualified tax filers, and is excluded from adjusted totals.

[20] FY 2025 PTET/PIT credits have been restated to reflect the reevaluation of Tax Year 2024 PTET credits that increases the amount of PTET related PIT credits recognized. This restatement is Financial Plan neutral and does not impact total tax receipts.

PIT

PERSONAL INCOME TAX (millions of dollars)	FY 2025 Actuals	FY 2026 Actuals	Change	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
STATE/ALL FUNDS (Excl. PTET)[1]	**75,501**	**84,454**	**11.9%**	**88,871**	**5.2%**	**91,382**	**2.8%**	**94,347**	**3.2%**	**98,862**	**4.8%**
PTET/PIT Credits	14,300	17,044	19.2%	19,734	15.8%	19,983	1.3%	20,045	0.3%	20,390	1.7%
STATE/ALL FUNDS	**61,201**	**67,410**	**10.1%**	**69,137**	**2.6%**	**71,399**	**3.3%**	**74,302**	**4.1%**	**78,472**	**5.6%**
Gross Collections	77,736	86,286	11.0%	89,520	3.7%	92,667	3.5%	96,579	4.2%	101,682	5.3%
Refunds (Incl. State/City Offset)	(16,535)	(18,876)	-14.2%	(20,383)	-8.0%	(21,268)	-4.3%	(22,277)	-4.7%	(23,210)	-4.2%
GENERAL FUND[2]	**29,152**	**32,356**	**11.0%**	**33,274**	**2.8%**	**34,478**	**3.6%**	**35,996**	**4.4%**	**38,126**	**5.9%**
Gross Collections	77,736	86,286	11.0%	89,520	3.7%	92,667	3.5%	96,579	4.2%	101,682	5.3%
Refunds (Incl. State/City Offset)	(16,535)	(18,876)	-14.2%	(20,383)	-8.0%	(21,268)	-4.3%	(22,277)	-4.7%	(23,210)	-4.2%
STAR	(1,448)	(1,349)	6.8%	(1,295)	4.0%	(1,222)	5.6%	(1,155)	5.5%	(1,110)	3.9%
RBTF	(30,601)	(33,705)	-10.1%	(34,568)	-2.6%	(35,699)	-3.3%	(37,151)	-4.1%	(39,236)	-5.6%

[1]State/All Funds (Excl. PTET) reflects PIT receipts increased by the estimated cost of PTET credit realization. State/All Funds represents actual (unadjusted) PIT receipts.

[2]Excludes Transfers.

FY 2027 PIT receipts are projected to increase from FY 2026 due to growth in all major gross receipts components, partially offset by growth in total refunds. Withholding is projected to grow modestly and be suppressed by the influence of both the Middle-class Tax Cut and the FY 2027 Enacted Budget’s elimination of income tax on certain tipped wages. Despite the negative influence from an increase in PTET credit realization, total estimated payments are expected to slightly increase. Advanced credit payments are expected to increase, primarily due to the FY 2027 Enacted Budget’s POWER checks initiative. State/City offsets and refunds for tax years before 2025 are also expected to increase, while prior refunds for tax year 2025 are expected to remain roughly flat despite the effect of PTET on tax year 2025 refunds.

FY 2028 PIT receipts are expected to increase from FY 2027 due to growth in all major gross receipts components coupled with decreased advanced credit payments following the expiration of the one-time POWER check program. This growth is partially offset by increases in prior year refunds for tax year 2026, refunds for tax years before 2026, and State/City offsets. The growth in prior year refunds for tax year 2026 is partially driven by the scheduled enhancement of the Empire State Child Credit for children over three years old – first effective tax year 2026 – and the reform of the Child and Dependent Care Credit included in the FY 2027 Enacted Budget.

FY 2029 PIT receipts are projected to increase from FY 2028 due to growth in all gross receipts components partially offset by an increase in total refunds. The increase in refunds is driven by increases in advanced credit payments, State/City offsets, prior refunds for tax year 2027, and refunds for years prior to tax year 2027.

FY 2030 PIT receipts are projected to increase due to increases in all gross receipts components partially offset by an increase in total refunds. Total refunds growth is driven by increases in prior refunds for tax year 2028, refunds prior to tax year 2028, advanced credit payments, and State/City offsets. Projected growth in refunds for tax year 2028 is suppressed by the expiration of the three-year Empire State Child Credit enhancement, effectuated by the FY 2026 Enacted Budget.

The following table summarizes, by component, actual PIT receipts for FY 2025 and FY 2026 and forecast amounts through FY 2030.

ALL FUNDS PERSONAL INCOME TAX FISCAL YEAR COLLECTION COMPONENTS (millions of dollars)						
	FY 2025 Actuals	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Receipts						
Withholding	59,827	64,680	67,395	70,300	73,187	76,508
Estimated Payments	12,299	14,875	15,096	15,157	15,876	17,336
Current Year	7,444	8,981	8,885	8,975	9,479	10,130
Prior Year[1]	4,855	5,894	6,211	6,182	6,397	7,206
Final Returns	3,661	4,627	4,857	4,952	5,202	5,454
Current Year	492	515	529	549	574	594
Prior Year[1]	3,169	4,112	4,328	4,403	4,628	4,860
Delinquent	1,949	2,104	2,172	2,258	2,314	2,384
Gross Receipts	77,736	86,286	89,520	92,667	96,579	101,682
Refunds						
Prior Year[1]	9,705	11,620	11,659	13,153	13,630	14,030
Previous Year	1,263	1,233	1,372	1,467	1,577	1,697
Current Year[1]	3,394	3,590	3,500	3,500	3,500	3,500
Advanced Credit Payment	803	835	2,113	1,187	1,359	1,474
State/City Offset[1,2]	1,370	1,598	1,739	1,961	2,211	2,509
Total Refunds	16,535	18,876	20,383	21,268	22,277	23,210
Net Receipts[3]	**61,201**	**67,410**	**69,137**	**71,399**	**74,302**	**78,472**
PTET/PIT Credits	14,300	17,044	19,734	19,983	20,045	20,390
Net Receipts, Excluding PTET[4]	**75,501**	**84,454**	**88,871**	**91,382**	**94,347**	**98,862**

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

[2] The State/City offset corrects the distribution of tax payments between the State, City of New York, Yonkers, and the MCTMT.

[3] Net Receipts represents actual (unadjusted) PIT receipts.

[4] Net Receipts, Excluding PTET, represents PIT receipts increased by the estimated cost of PTET credit realization.

Consumption/Use Taxes

CONSUMPTION/USE TAXES (millions of dollars)	FY 2025 Actuals	FY 2026 Actuals	Change	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
STATE/ALL FUNDS	**22,352**	**23,585**	**5.5%**	**24,355**	**3.3%**	**25,088**	**3.0%**	**25,766**	**2.7%**	**26,438**	**2.6%**
Sales Tax	20,350	21,562	6.0%	22,266	3.3%	22,943	3.0%	23,634	3.0%	24,325	2.9%
Cigarette and Tobacco Taxes	798	741	-7.1%	719	-3.0%	711	-1.1%	684	-3.8%	656	-4.1%
Vapor Excise Tax	21	19	-9.5%	19	0.0%	19	0.0%	19	0.0%	19	0.0%
Motor Fuel Tax	487	490	0.6%	490	0.0%	485	-1.0%	478	-1.4%	472	-1.3%
Highway Use Tax	138	135	-2.2%	136	0.7%	138	1.5%	139	0.7%	139	0.0%
Alcoholic Beverage Taxes	269	268	-0.4%	267	-0.4%	266	-0.4%	265	-0.4%	264	-0.4%
Opioid Excise Tax	21	22	4.8%	20	-9.1%	20	0.0%	20	0.0%	20	0.0%
Medical Cannabis Excise Tax	4	3	-25.0%	3	0.0%	3	0.0%	1	-66.7%	0	-100.0%
Adult Use Cannabis Tax	125	196	56.8%	284	44.9%	349	22.9%	368	5.4%	379	3.0%
Auto Rental Tax[1]	137	148	8.0%	149	0.7%	153	2.7%	157	2.6%	163	3.8%
Peer to Peer Car Sharing Tax	2	1	-50.0%	2	100.0%	1	-50.0%	1	0.0%	1	0.0%
GENERAL FUND[2]	**10,057**	**10,604**	**5.4%**	**10,935**	**3.1%**	**11,219**	**2.6%**	**11,540**	**2.9%**	**11,858**	**2.8%**
Sales Tax	9,520	10,085	5.9%	10,409	3.2%	10,726	3.0%	11,049	3.0%	11,372	2.9%
Cigarette and Tobacco Taxes	245	228	-6.9%	237	3.9%	206	-13.1%	205	-0.5%	201	-2.0%
Alcoholic Beverage Taxes	269	268	-0.4%	267	-0.4%	266	-0.4%	265	-0.4%	264	-0.4%
Opioid Excise Tax	21	22	4.8%	20	-9.1%	20	0.0%	20	0.0%	20	0.0%
Peer to Peer Car Sharing Tax	2	1	-50.0%	2	100.0%	1	-50.0%	1	0.0%	1	0.0%

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

[2]Excludes Transfers.

FY 2027 consumption/use tax receipts are estimated to increase from FY 2026 results. Sales tax receipts are estimated to increase due to estimated growth in taxable consumption. Cigarette and tobacco tax receipts are estimated to decrease, reflecting a continuing trend of declining taxable consumption; this is partially offset by the part-year impact of FY 2027 Enacted Budget legislation that includes alternative nicotine products within the existing tobacco products tax. Opioid excise tax receipts are estimated to moderately decline due to a return to normal collection trends after a one-time increase experienced in FY 2026. Vapor excise tax receipts are expected to remain flat. Highway use tax receipts are projected to marginally increase. This is mostly due to a small increase in truck mileage tax receipts and slightly stronger fuel use tax receipts due to projected changes in demand growth for diesel consumption. Medical cannabis receipts are expected to remain flat compared to the prior year, while adult-use cannabis receipts, which reflect the fourth full-year of collections, are estimated to significantly increase due to the continued expansion of the cannabis market. Auto rental tax receipts are estimated to increase, reflecting moderately higher taxable consumption stemming from business and leisure travel. Peer-to-peer car sharing receipts are estimated to marginally rise as consumer demand appears to slowly build while the industry works toward stabilizing and increasing utilization in this market.

FY 2028 consumption/use tax receipts are projected to increase compared to the prior year, largely driven by a projected increase in sales tax receipts. Several consumption/use taxes are projected to experience flat growth compared to the prior year, including the medical cannabis tax, opioid excise tax and the vapor excise tax; or marginal/moderate growth, as is the case with auto rental tax and highway use tax receipts. Adult-use cannabis taxes are projected to significantly increase as the cannabis market continues to mature. However, the increases above are partially offset by a continued decline in taxable cigarette consumption and motor fuel tax receipts. The overall projected decrease in cigarette and tobacco tax receipts is tempered by the first full-year impact of FY 2027 Enacted Budget legislation that includes alternative nicotine products within the existing tobacco products tax.

Consumption/use tax receipts for FY 2029 and FY 2030 are projected to increase, largely reflecting projected increases in sales tax receipts and the continued maturation of the adult-use cannabis market. These increases are partially offset by a continued decline in taxable cigarette consumption, coupled with moderate declines in motor fuel tax receipts due to projected declines in overall fuel consumption. Additionally, due to the scheduled expiration of the medical cannabis excise tax on July 5, 2028, receipts are projected to decline during consecutive fiscal years.

Business Taxes

BUSINESS TAXES
(millions of dollars)

	FY 2025 Actuals	FY 2026 Actuals	Change	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
STATE/ALL FUNDS (Excl. PTET)[1]	**13,592**	**13,129**	**-3.4%**	**13,830**	**5.3%**	**13,453**	**-2.7%**	**13,918**	**3.5%**	**14,321**	**2.9%**
Pass-Through-Entity Tax	(17,781)	(20,126)	-13.2%	(19,990)	0.7%	(20,040)	-0.3%	(20,480)	-2.2%	(21,080)	-2.9%
STATE/ALL FUNDS	**31,373**	**33,255**	**6.0%**	**33,820**	**1.7%**	**33,493**	**-1.0%**	**34,398**	**2.7%**	**35,401**	**2.9%**
Corporate Franchise Tax	8,676	8,476	-2.3%	9,241	9.0%	8,724	-5.6%	9,061	3.9%	9,336	3.0%
Corporation and Utilities Tax	516	513	-0.6%	562	9.6%	563	0.2%	567	0.7%	570	0.5%
Insurance Tax	3,006	2,891	-3.8%	3,026	4.7%	3,156	4.3%	3,292	4.3%	3,433	4.3%
Bank Tax	333	248	-25.5%	23	-90.7%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	17,781	20,126	13.2%	19,990	-0.7%	20,040	0.3%	20,480	2.2%	21,080	2.9%
Petroleum Business Tax	1,061	1,001	-5.7%	978	-2.3%	1,010	3.3%	998	-1.2%	982	-1.6%
GENERAL FUND[2]	**19,059**	**19,952**	**4.7%**	**20,384**	**2.2%**	**20,002**	**-1.9%**	**20,577**	**2.9%**	**21,221**	**3.1%**
Corporate Franchise Tax	6,788	6,667	-1.8%	7,201	8.0%	6,700	-7.0%	6,933	3.5%	7,146	3.1%
Corporation and Utilities Tax	406	389	-4.2%	441	13.4%	443	0.5%	445	0.5%	448	0.7%
Insurance Tax	2,697	2,624	-2.7%	2,724	3.8%	2,839	4.2%	2,959	4.2%	3,087	4.3%
Bank Tax	277	209	-24.5%	23	-89.0%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	8,891	10,063	13.2%	9,995	-0.7%	10,020	0.3%	10,240	2.2%	10,540	2.9%
Petroleum Business Tax	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

[1]State/All Funds (Excl. PTET) reflects Business Taxes receipts without the impact of PTET.
[2]Excludes Transfers.

CFT receipts are estimated to increase in FY 2027, reflecting a projected increase in gross receipts largely due to decoupling from certain Federal tax law changes in H.R. 1.

Corporation and Utilities Tax (CUT) receipts are estimated to increase in FY 2027, due to increased gross receipts in the utilities and telecommunications sectors.

Insurance tax receipts are estimated to increase in FY 2027 due to an increase in gross receipts and a decrease in refunds. This is partially offset by a projected decrease in audits.

PTET collections are estimated to slightly decrease in FY 2027 due to a projected increase in refunds, partially offset by an increase in estimated payments. As noted, DOB expects PTET will be revenue-neutral for the State; however, 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) are estimated to significantly decrease in FY 2027 due to an expectation of lower audit receipts. No further bank receipts are projected past FY 2027. Petroleum Business Tax (PBT) receipts are estimated to decrease from FY 2026 results, primarily due to a PBT rate index decline of 5 percent effective January 1, 2026. However, this decrease is slightly offset by a 5 percent index increase effective January 1, 2027.

Business tax receipts for FY 2028 are projected to decrease due to decreased CFT gross receipts and increased refunds. The decrease in CFT receipts is partially offset by the FY 2027 Enacted Budget's extension of the temporary tax rates through tax year 2029. The overall decrease in business tax receipts is partially offset by increased receipts for insurance, CUT, PBT, and PTET.

Business tax receipts for FY 2029 and FY 2030 are projected to increase in PTET, CFT, CUT, and insurance tax receipts as compared to the prior year, partially offset by declines in PBT receipts.

Other Taxes

OTHER TAXES (millions of dollars)											
	FY 2025 Actuals	FY 2026 Actuals	Change	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
STATE/ALL FUNDS	**2,586**	**3,230**	**24.9%**	**3,010**	**-6.8%**	**3,170**	**5.3%**	**3,312**	**4.5%**	**3,468**	**4.7%**
Estate Tax	1,301	1,753	34.7%	1,483	-15.4%	1,528	3.0%	1,590	4.1%	1,660	4.4%
Real Estate Transfer Tax	1,257	1,445	15.0%	1,495	3.5%	1,607	7.5%	1,687	5.0%	1,771	5.0%
Employer Compensation Expense Program	15	18	20.0%	19	5.6%	22	15.8%	22	0.0%	24	9.1%
Pari-Mutuel Taxes	11	13	18.2%	12	-7.7%	12	0.0%	12	0.0%	12	0.0%
All Other Taxes	2	1	-50.0%	1	0.0%	1	0.0%	1	0.0%	1	0.0%
GENERAL FUND[1]	**1,322**	**1,776**	**34.3%**	**1,505**	**-15.3%**	**1,552**	**3.1%**	**1,614**	**4.0%**	**1,685**	**4.4%**
Estate Tax	1,301	1,753	34.7%	1,483	-15.4%	1,528	3.0%	1,590	4.1%	1,660	4.4%
Employer Compensation Expense Program	8	9	12.5%	9	0.0%	11	22.2%	11	0.0%	12	9.1%
Pari-Mutuel Taxes	11	13	18.2%	12	-7.7%	12	0.0%	12	0.0%	12	0.0%
All Other Taxes	2	1	-50.0%	1	0.0%	1	0.0%	1	0.0%	1	0.0%

[1] Excludes Transfers.

FY 2027 other tax receipts are estimated to decrease from FY 2026 results, primarily due to a decrease in estate tax receipts, partially offset by growth in real estate transfer tax receipts. Estimated estate tax receipts largely reflect fewer expected super-large payments at a lower average payment value compared to the prior year. Estimated real estate transfer tax receipts largely reflect estimated moderate to strong growth in housing starts, the average housing price, bonuses, and the S&P 500.

Other tax receipts in FY 2028 and the outyears are projected to increase, largely due to increases in both estate tax and real estate transfer tax receipts, reflecting projected annual growth in household net worth, the Wilshire 5000, housing starts, the average housing price, and bonuses.

Miscellaneous Receipts

MISCELLANEOUS RECEIPTS (millions of dollars)											
	FY 2025 Actuals	FY 2026 Actuals	Change	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
ALL FUNDS	**34,761**	**40,590**	**16.8%**	**41,460**	**2.1%**	**37,863**	**-8.7%**	**37,961**	**0.3%**	**35,421**	**-6.7%**
General Fund	5,168	5,147	-0.4%	4,186	-18.7%	2,792	-33.3%	2,673	-4.3%	2,632	-1.5%
Special Revenue Funds	23,804	27,321	14.8%	24,716	-9.5%	20,786	-15.9%	21,297	2.5%	21,302	0.0%
Capital Projects Funds	5,283	7,542	42.8%	12,108	60.5%	13,819	14.1%	13,527	-2.1%	11,023	-18.5%
Debt Service Funds	506	580	14.6%	450	-22.4%	466	3.6%	464	-0.4%	464	0.0%

All Funds miscellaneous receipts are expected to increase because of growth in bond proceeds receipts associated with additional FY 2027 bond-eligible capital spending. The increase is partially offset by projected drops in MCO assessments, investment income, and abandoned property. The decline is partly offset by growth in bond proceeds receipts associated with additional FY 2027 bond-eligible capital spending.

In the later years of the Financial Plan, All Funds miscellaneous receipts reflect a continued decline in investment income attributable to lower forecasted interest rates and available balances, and non-recurring managed care assessments, as well as the timing of capital reimbursements and bond issuances.

Federal Receipts

FEDERAL RECEIPTS (millions of dollars)											
	FY 2025 Actuals	FY 2026 Actuals	Change	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
ALL FUNDS	**96,713**	**98,900**	**2.3%**	**98,027**	**-0.9%**	**93,027**	**-5.1%**	**94,246**	**1.3%**	**90,470**	**-4.0%**
General Fund	3,650	1	-100.0%	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Special Revenue Funds	90,233	95,973	6.4%	94,764	-1.3%	89,440	-5.6%	90,628	1.3%	86,845	-4.2%
Capital Projects Funds	2,785	2,868	3.0%	3,228	12.6%	3,555	10.1%	3,590	1.0%	3,601	0.3%
Debt Service Funds	45	58	28.9%	35	-39.7%	32	-8.6%	28	-12.5%	24	-14.3%

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 changes in Federal receipts projections correspond with expected changes in Federal spending across the Financial Plan period. This includes increases in Medicaid, public health, and transportation, partially offset by a reduction in receipts for the EP resulting from H.R. 1 and the wind-down of pandemic assistance to aid states in their response to and recovery from COVID-19. In addition, Federal receipts in the General Fund reflect the final use of Federal American Rescue Plan (ARP) funds in FY 2025, consistent with Treasury rules.

Spending Summary

Assistance and grants spending represents approximately two-thirds of total State Operating Funds spending, and includes payments to local governments, school districts, healthcare providers and associations, hospitals, nursing homes, 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 assistance and grants spending.

Certain factors are considered when preparing spending projections for the State's major assistance and grants programs and activities as summarized below.

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

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
HEALTH CARE					
Medicaid - Individuals Covered[1]	6,455,386	6,472,184	6,496,320	7,158,624	7,212,113
Essential Plan - Individuals Covered	1,751,922	1,408,809	1,435,735	TBD	TBD
1332 Waiver Funding through July 2026	1,751,922	--	--	--	--
Shift to 1331 BHP Funding Per CMS Approval[1]	--	1,408,809	1,435,735	TBD	TBD
Child Health Plus - Individuals Covered	535,743	557,448	566,326	577,652	589,204
HIGHER EDUCATION					
Public Higher Education Enrollment (FTEs)	526,097	541,202	--	--	--
Tuition Assistance Program (FTEs)	245,000	249,000	--	--	--
PUBLIC ASSISTANCE					
Family Assistance Program (Families)	208,640	207,446	206,737	205,574	203,935
Safety Net Program (Families)	142,955	142,316	142,081	141,473	140,477
Safety Net Program (Singles)	361,914	372,251	382,792	393,726	405,031
MENTAL HYGIENE					
OMH Community Beds	51,243	52,129	53,096	54,617	55,836
OPWDD Community Beds	43,705	44,221	44,821	45,512	46,114
OASAS Community Beds	13,258	13,283	13,360	13,567	13,619
Total	108,206	109,633	111,277	113,696	115,569

[1] Absent programmatic changes, Federal EP funds are expected to be depleted as of December 31, 2028 at which time the approximately 636,000 individuals are expected to transition from EP to the State's Medicaid program. The State continues to explore programmatic changes and options that may extend EP funds available to continue coverage into FY 2030.

School Aid

School Aid supports elementary and secondary education for roughly 2.4 million public school pupils 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 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 Enacted Budget provides $39.6 billion in total School Aid for SY 2027, representing an annual increase of $1.9 billion (4.9 percent). This includes a $1.0 billion (3.9 percent) increase in Foundation Aid. The Enacted Budget increases aid for English language learners through the Foundation Aid formula, modifies the formula to add a weighting for students who are experiencing homelessness or are in foster care and ensures that each school district receives at least a 2.0 percent year-to-year increase in Foundation Aid.

The Enacted Budget also provides additional funding for universal four-year-old prekindergarten to ensure that all four-year-olds have the option of attending a full-day program by SY 2029. The Enacted Budget increases districts' prekindergarten per-pupil funding to the higher of $10,000 or their current selected Foundation Aid per pupil. Additionally, the Enacted Budget provides increased funding to NYC's 3-K program to support universal access. In total, Universal Prekindergarten Aid in SY 2027 is estimated to increase by $563 million (52.6 percent) over SY 2026 levels, including anticipated additional aid to school districts expanding their programs to serve more four-year-olds.

In SY 2028 and beyond, projected increases in School Aid spending reflect both estimated growth in Foundation Aid and expense-based aids. Estimated growth in Foundation Aid is based on DOB's inflation forecast, while growth in expense-based aids is based on both historical trends and projected increases in spending resulting from the expansion of universal four-year-old prekindergarten.

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

	SY 2026	SY 2027	Change	SY 2028	Change	SY 2029	Change	SY 2030	Change
Total	37,775	39,635	1,860	41,406	1,771	42,985	1,579	44,296	1,311
			4.9%		4.5%		3.8%		3.0%

State Fiscal Year School Aid

State School Aid is funded from the General Fund, commercial gaming receipts, cannabis sales, mobile sports wagering receipts, and lottery receipts, including revenues from VLTs. Commercial gaming, lottery, and mobile sports wagering receipts are accounted for and disbursed from dedicated accounts. Revenue from the fantasy sports education and the cannabis education accounts are transferred to the Lottery Fund for disbursement. The amount of School Aid spending financed by lottery and VLT receipts is expected to decrease in FY 2027 due to a decline in anticipated revenue collections. The amount of School Aid spending financed by the State's other dedicated gaming revenue accounts is expected to remain largely unchanged from FY 2026 levels. School Aid spending financed by commercial gaming receipts is expected to increase, and spending financed by VLT receipts decrease, in FY 2028 due largely to the conversion of Resorts World New York City (RWNYC) from a VLT Facility to a casino in calendar year 2026.

Because the State fiscal year begins annually on April 1 and the school year begins annually 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 quarter 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
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**37,114**	**39,100**	**5.4%**	**40,748**	**4.2%**	**42,385**	**4.0%**	**43,819**	**3.4%**
General Fund Assistance and Grants	31,706	33,835	6.7%	35,682	5.5%	37,363	4.7%	38,715	3.6%
Medicaid	94	140	48.9%	140	0.0%	140	0.0%	140	0.0%
Lottery Aid[1]	2,591	2,458	-5.1%	2,541	3.4%	2,466	-3.0%	2,466	0.0%
VLT Lottery Aid	1,131	1,069	-5.5%	130	-87.8%	505	288.5%	536	6.1%
Commercial Gaming	135	142	5.2%	919	547.2%	580	-36.9%	631	8.8%
Mobile Sports Wagering	1,457	1,456	-0.1%	1,336	-8.2%	1,331	-0.4%	1,331	0.0%

[1] Lottery Aid funds include transfers made from the fantasy sports education account and the cannabis education account.

Spending on School Aid from dedicated revenue sources is capped by appropriation authority as determined at the Enacted Budget. Therefore, spending shown in the table above does not necessarily equate to annual revenue collections and projections.

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 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,967**	**3,498**	**17.9%**	**3,488**	**-0.3%**	**3,627**	**4.0%**	**3,798**	**4.7%**
Special Education	1,663	1,773	6.6%	1,872	5.6%	1,973	5.4%	2,081	5.5%
All Other Education	1,304	1,725	32.3%	1,616	-6.3%	1,654	2.4%	1,717	3.8%

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 Education address specialized student needs or reimburse school districts for education-related services, including assisted meal 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 the licensing and regulation of 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 in FY 2027 are currently projected to increase from the prior fiscal year, due primarily to increased spending on preschool and summer school programs, commensurate with growth in enrollment and tuition rates resulting from recent years' cost of living adjustments, as well as reforms to accelerate cost of living adjustments in providers' tuition rates, hold providers' tuition rates harmless from prior year spending reductions, and authorize providers to retain surplus tuition revenues. Outyear spending increases are attributable to projected enrollment and tuition rate growth.

Spending for All Other Education Programs in FY 2027 is expected to increase from the prior year as a result of the continuation of universal free school meals, under which the State pays the entire student and local cost share of all meals that are not fully reimbursed by the Federal per-meal reimbursement rates (i.e., the portion of costs for each meal that would otherwise need to be paid by the school and/or student). Additionally, growth in FY 2027 is driven by increased funding for nonpublic schools, increased reimbursements to school districts related to charter schools, and the addition of certain one-time aid and grant programs. Spending in FY 2028 is projected to decrease due to the timing of payments to nonpublic schools and the discontinuation of certain one-time aid and grant programs included in the FY 2027 Enacted Budget. Spending growth in FY 2029 and the subsequent outyears is largely attributable to increased reimbursement for school meals, nonpublic schools, and charter schools.

STAR 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 $110,750 will receive an $88,500 exemption in FY 2027.

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 transitioning from a spending program to an advance refundable PIT credit program. As a result, first-time home buyers 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.

The STAR program also includes a credit for income-eligible taxpayers who are residents of NYC. NYC's PIT rate reduction was converted into a State PIT tax credit starting with tax year 2017 and, as of FY 2019, is 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 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STAR PROGRAM	**1,349**	**1,295**	**-4.0%**	**1,222**	**-5.6%**	**1,155**	**-5.5%**	**1,110**	**-3.9%**
Gross Program Costs	2,984	3,146	5.4%	3,227	2.6%	3,320	2.9%	3,429	3.3%
Personal Income Tax Credit	(1,635)	(1,851)	-13.2%	(2,005)	-8.3%	(2,165)	-8.0%	(2,319)	-7.1%
Basic Exemption	577	533	-7.6%	464	-12.9%	401	-13.6%	358	-10.7%
Gross Program Costs	1,171	1,309	11.8%	1,325	1.2%	1,361	2.7%	1,412	3.7%
Personal Income Tax Credit	(594)	(776)	-30.6%	(861)	-11.0%	(960)	-11.5%	(1,054)	-9.8%
Enhanced (Senior) Exemption	772	762	-1.3%	758	-0.5%	754	-0.5%	752	-0.3%
Gross Program Costs	1,009	1,022	1.3%	1,047	2.4%	1,083	3.4%	1,121	3.5%
Personal Income Tax Credit	(237)	(260)	-9.7%	(289)	-11.2%	(329)	-13.8%	(369)	-12.2%
City of New York PIT	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Program Costs	804	815	1.4%	855	4.9%	876	2.5%	896	2.3%
Personal Income Tax Credit	(804)	(815)	-1.4%	(855)	-4.9%	(876)	-2.5%	(896)	-2.3%

All homeowners with incomes above $250,000 were transitioned from the basic exemption benefit program to the advance credit program in FY 2020. Additionally, a zero percent growth cap on the STAR exemption benefit remains in effect. The decline in reported disbursements on STAR exemptions in FY 2026 through FY 2030 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 HESC.

HIGHER EDUCATION (millions of dollars)	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**3,550**	**3,686**	**3.8%**	**3,778**	**2.5%**	**3,809**	**0.8%**	**3,810**	**0.0%**
City University	**2,289**	**2,397**	**4.7%**	**2,465**	**2.8%**	**2,485**	**0.8%**	**2,511**	**1.0%**
Senior Colleges	2,020	2,115	4.7%	2,182	3.2%	2,202	0.9%	2,228	1.2%
Community College	269	282	4.8%	283	0.4%	283	0.0%	283	0.0%
Higher Education Services	**643**	**689**	**7.2%**	**710**	**3.0%**	**721**	**1.5%**	**720**	**-0.1%**
Tuition Assistance Program	571	603	5.6%	620	2.8%	636	2.6%	636	0.0%
Scholarships/Awards	72	86	19.4%	90	4.7%	85	-5.6%	84	-1.2%
State University	**618**	**600**	**-2.9%**	**603**	**0.5%**	**603**	**0.0%**	**579**	**-4.0%**
Community College	489	503	2.9%	510	1.4%	510	0.0%	509	-0.2%
Other/Cornell	129	97	-24.8%	93	-4.1%	93	0.0%	70	-24.7%

As of Fall 2025 enrollment data, SUNY and CUNY operate 53 four-year colleges and graduate schools with a total enrollment of roughly 378,000 full- and part-time students. SUNY and CUNY also operate 37 community colleges, serving approximately 256,000 students.

State funds support a significant portion of SUNY and CUNY operations. In addition to the spending reflected in the above table, the State will provide roughly $3.9 billion in FY 2027 operating support for SUNY State-operated campuses: $2.1 billion for the fringe benefit costs of all employees, $1.5 billion for campus operations via an annual General Fund transfer, and an estimated $330 million in student financial aid support transferred from HESC. The financial aid transfer is the result of an accounting change first implemented in FY 2020 to reflect certain financial aid payments made from HESC to SUNY as transfers instead of disbursements. In addition, the State will also provide an estimated $908 million for debt service payments on bond-financed capital projects at both SUNY and CUNY in FY 2027.

HESC is New York State's student financial aid agency. HESC oversees State-funded financial aid programs, including the Excelsior Scholarship, TAP, and various 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 $136 million, or 3.8 percent, from FY 2026 to FY 2027. This spending includes an increase in operating aid and fringe benefit support at CUNY senior colleges, additional base aid for SUNY and CUNY community colleges, and support for the expansion of the New York State Opportunity Promise Scholarship. In addition, increased spending at HESC is driven by assumed growth in TAP and Scholarship programs commensurate with projected enrollment growth.

Health Care

DOH works with local health departments and social services departments, including NYC, to coordinate and administer statewide health insurance programs and services, including operating the Medicaid program. The combined benefit of the State-sponsored health insurance programs provides health care coverage to roughly 8.7 million low-income individuals and long-term care services for the elderly and disabled. Most of these government-financed health care programs are included under DOH; however, several programs are also supported through multi-agency efforts, including a variety of mental hygiene programs.

DOH also engages in federally supported initiatives and ongoing efforts to redesign Medicaid and respond to public health issues. For more information on the Federal Medicaid Waivers and COVID-19 response efforts please see “Other Matters Affecting the Financial Plan” and “Federal Aid” herein.

Medicaid is a means-tested program that supports 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 eligible individuals. Medicaid eligible 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 use disorder treatment, developmental disabilities services, school-based services, and foster care services).

Medicaid eligibility and enrollment fluctuate with economic cycles and unemployment levels. Overall enrollment levels declined in FY 2026 largely due to the unwinding of continuous eligibility for certain non-utilizing fee-for-service enrollees. However, the upward trend of the aging population and high utilization continues to drive growth annually. Other factors that continue to place upward pressure on Medicaid costs include, but are not limited to, increased reimbursement rates, inclusive of minimum wage increase coverage; higher drug costs; increased costs and enrollment growth in personal care programs, including the NHTD Waiver; and payments to financially distressed hospitals.

The cost of the Medicaid program is shared by the Federal government, the State, and counties, as well as NYC. 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 nearly $135 billion in FY 2027, an increase of 50 percent or almost $45 billion over the past five years. The following table shows the recent actual and estimated spending shares.

MEDICAID SPENDING (millions of dollars)									
	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Federal	**53,592**	**59,441**	**66,754**	**65,835**	**72,670**	**77,502**	**75,303**	**75,209**	**68,510**
	60.0%	60.3%	60.1%	58.3%	58.2%	57.5%	56.2%	55.2%	50.7%
State	**27,693**	**31,296**	**35,861**	**38,437**	**43,186**	**48,317**	**49,672**	**52,105**	**57,570**
	31.0%	31.7%	32.3%	34.0%	34.6%	35.8%	37.1%	38.2%	42.6%
Counties/NYC	**8,017**	**7,865**	**8,505**	**8,638**	**9,051**	**9,051**	**9,051**	**9,051**	**9,051**
	9.0%	8.0%	7.6%	7.7%	7.2%	6.7%	6.7%	6.6%	6.7%
Total	**89,302**	**98,602**	**111,120**	**112,910**	**124,907**	**134,870**	**134,026**	**136,365**	**135,131**

State Takeover of County/NYC Medicaid Growth

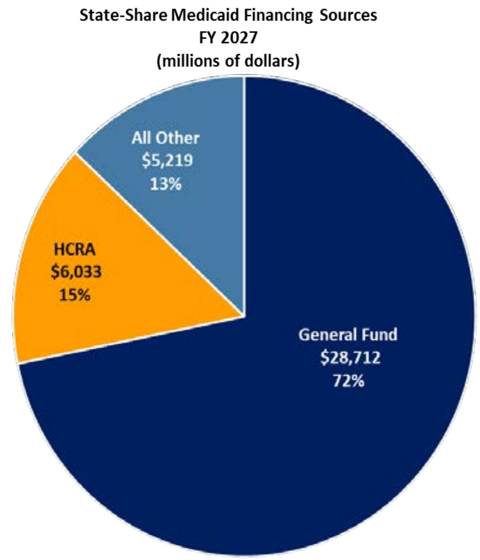
Beginning in 2006, the State began capping the local share of Medicaid costs to reduce county and NYC costs and thereby relieve county property tax pressures. The local share growth rate above 2005 spending was held to 3.5 percent in 2006, 3.25 percent in 2007, and 3 percent per year thereafter, until FY 2013 when the State committed to phasing out all growth in the local share over a three-year period. Local districts' Medicaid costs remain capped at calendar year 2015 levels as the State has covered cumulative costs totaling nearly $54 billion through FY 2026. Local districts are projected to save another $9.2 billion in FY 2027 -- $5.1 billion for NYC and roughly $4 billion for other counties as shown in the table below.

LOCAL GOVERNMENT SAVINGS STATE TAKEOVER OF LOCAL MEDICAID COSTS (2005 CAP AND GROWTH TAKEOVER) FY 2026 to FY 2030					
Region	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Rest of State	**3,705,333**	**4,021,266**	**4,318,164**	**4,772,414**	**5,114,681**
City of New York	**4,616,246**	**5,145,942**	**5,643,726**	**6,405,329**	**6,979,178**
Statewide	**8,321,579**	**9,167,208**	**9,961,890**	**11,177,743**	**12,093,859**

The State takeover costs are partly funded by ongoing payments from tobacco manufacturers under the Master Settlement Agreement (MSA) consistent with consumption and inflation adjustments authorized in the MSA, which are statutorily directed for this purpose. 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.

State Medicaid Costs

The DOH Medicaid State-share of spending is estimated to total nearly $40 billion in FY 2027 and is funded by a combination of the General Fund, HCRA resources, indigent care support, provider assessment revenue, and tobacco settlement proceeds. In any year, Medicaid costs financed by the General Fund may be affected by the level of resources available from the other funding sources, as well as the statutory Medicaid Global Cap that limits annual growth for a subset of State-share Medicaid spending, and fluctuations in the Federal share of Medicaid (e.g., temporary eFMAP increases). The following chart summarizes the expected FY 2027 DOH Medicaid financing shares.



Medicaid spending also occurs in other State agencies, which is impacted by the amount of mental hygiene spending that occurs under DOH via MHSF. The following table summarizes the State-share Medicaid spending by agency and the amount of OPWDD spending that is funded under DOH through the MHSF.

TOTAL STATE-SHARE MEDICAID DISBURSEMENTS
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Department of Health Medicaid	**34,397**	**39,964**	**40,656**	**42,910**	**48,238**
Assistance and Grants	33,984	39,443	40,122	42,388	47,697
State Operations	413	521	534	522	541
Other State Agency Medicaid Spending	**8,789**	**8,353**	**9,016**	**9,195**	**9,332**
Mental Hygiene[1]	8,575	9,529	9,597	9,752	9,824
MHSF	(58)	(1,441)	(847)	(825)	(760)
Foster Care	164	120	121	123	123
Education	94	140	140	140	140
Corrections	14	5	5	5	5
Total State-Share Medicaid (All Agencies)	**43,186**	**48,317**	**49,672**	**52,105**	**57,570**
Annual $ Change	4,759	5,131	1,355	2,433	5,465
Annual % Change	12.4%	11.9%	2.8%	4.9%	10.5%

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

Medicaid Spending Limit Under the Global Cap

The Medicaid Global Cap is a statutory spending limit that applies to a subset of State-share funded Medicaid spending. Since the implementation of the Medicaid Global Cap 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. Beginning in FY 2023, a new Global Cap index was authorized using the five-year rolling average of CMS annual projections of health care spending to better account for enrollment changes, including specific populations, such as the aging and disabled populations, which are significant drivers of costs. Medicaid spending is projected to exceed the cap by $430 million in FY 2028 due mainly to projected utilization and costs trends. Outyear deficits grow significantly as certain expenses funded through the Federal EP are expected to be shifted to the General Fund beginning January 1, 2029.

MEDICAID GLOBAL CAP INDEX
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	Five-Year Total
Prior CPI Index (May 2022)	**22,957**	**23,612**	**24,226**	**24,559**	**25,197**	**120,551**
Annual $ Change	624	655	614	333	638	2,864
Annual % Change	2.8%	2.9%	2.6%	1.4%	2.6%	
Increased Spending Under the New Cap[1]	**3,502**	**4,965**	**6,481**	**8,280**	**9,854**	**33,082**
New CMS Index	**26,459**	**28,577**	**30,707**	**32,839**	**35,051**	**153,633**
FY 2027 Enacted Budget	26,459	28,577	31,137	33,515	38,265	157,953
Enacted Budget Over/(Under) Allowance[2]	**0**	**0**	**430**	**676**	**3,214**	**4,320**
FY 2027 Enacted Budget	**26,459**	**28,577**	**31,137**	**33,515**	**38,265**	**157,953**
Annual $ Change	1,529	2,118	2,560	2,378	4,750	13,335
Annual % Change	6.1%	8.0%	9.0%	7.6%	14.2%	

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

2 Medicaid spending is projected to stay within the allowable Global Cap through FY 2027. Gap-closing savings will be necessary in FY 2028 through FY 2030 to ensure Medicaid spending in future years adheres to the Global Cap allowance.

At the inception of the Global Cap spending limit, approximately 4 percent of total DOH Medicaid spending was excluded from the Global Cap limit. As of FY 2027, an estimated 25 percent of total spending is not subject to the limit as summarized in the table below. The exempt costs include a portion of the takeover of local government expenses, health care investments made from the HSF, costs related to State-mandated increases in the minimum wage and other wage enhancements, and administrative expenses.

TOTAL DOH MEDICAID SPENDING
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Medicaid Global Cap	**26,459**	**28,577**	**30,707**	**32,839**	**35,051**
Annual $ Change	1,529	2,118	2,130	2,132	2,212
Annual % Change	6.1%	8.0%	7.5%	6.9%	6.7%
Spending Above Cap Allowance[1]	**0**	**0**	**430**	**676**	**3,214**
Other Medicaid Not Subject to Global Cap	**6,852**	**7,248**	**7,890**	**8,555**	**9,249**
Minimum Wage	2,441	2,451	2,462	2,471	2,481
Home Care Wages	1,795	2,165	2,590	3,037	3,514
Local Takeover Cost	2,196	2,378	2,561	2,743	2,926
MSA Local Growth Offset	(98)	(275)	(250)	(225)	(200)
All Other	518	529	527	529	528
Total Spending[2]	**33,311**	**35,825**	**39,027**	**42,070**	**47,514**
Annual $ Change	1,685	2,514	3,202	3,043	5,444
Annual % Change	5.3%	7.5%	8.9%	7.8%	12.9%
Healthcare Stability Fund[3]	**1,086**	**4,139**	**1,629**	**840**	**724**
Total with HSF[3]	**34,397**	**39,964**	**40,656**	**42,910**	**48,238**
Annual $ Change	2,771	5,567	692	2,254	5,328
Annual % Change	8.8%	16.2%	1.7%	5.5%	12.4%

[1] Medicaid spending is projected to stay within the allowable Global Cap in FY 2027. Gap-closing savings will be necessary in FY 2028 through FY 2030 to ensure Medicaid spending in future years adheres to the Global Cap allowance.

[2] Medicaid State Operating Funds spending, exclusive of Other State Agencies (OSA) costs.

[3] Revenues to the Healthcare Stability Fund (HSF) will be reinvested into the healthcare delivery system as well as provide Global Cap relief.

Minimum Wage and Home Care Wages

Medicaid spending includes the cost of increases in the minimum wage for employees in the health care sector, which is paid to providers through higher reimbursement rates that are projected to cost the State $2.5 billion in FY 2027. Home health care workers in NYC 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 $2.65. 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 State authorized annual wage increases for home health and personal care workers beginning in January 2024, with the goal of reaching $18 per hour. As of January 2026, the home care minimum wage rose to $19.65 for downstate workers and $18.65 for upstate workers. In addition, the State will also automatically increase the health care employee minimum wage to keep pace with inflation moving forward. Effective January 1, 2027, each region’s minimum wage will increase consistently with the year-over-year CPI for Urban Wage Earners and Clerical Workers for the Northeast Region. The estimated State cost is over $800 million in FY 2027 and is projected to grow to nearly $1.9 billion in FY 2030.

Healthcare Stability Fund (HSF)

Health care costs in New York rose sharply in the aftermath of the COVID-19 pandemic and continue to increase, creating pressure on the government-funded Medicaid program and safety-net providers. In an effort to increase health care funding, the State pursued Federal approval of an assessment on MCOs like those imposed by many other states, including New Jersey, Louisiana, Michigan, Illinois, and California. Effective January 1, 2025, CMS granted approval for a per member per month assessment on Medicaid and Non-Medicaid insurers based on the number of member months the plan carries, and the State began collecting MCO assessments in July 2025.

In May 2025, CMS released a draft rule which alters MCO assessment compliance with Federal regulations. Similarly, H.R. 1 mirrored this regulation by adding new conditions for determining what assessments are eligible for certain waivers from CMS. The draft rule and the H.R. 1 regulations would disqualify New York’s current assessment despite full compliance with other Federal laws and regulations.

In January 2026, CMS issued a final rule for impacted states that allows New York to continue to collect MCO assessments through the end of calendar year 2026 for a total of eight quarters of collections (four quarters in FY 2026 and 2027, respectively). The FY 2027 Enacted Budget authorizes the State to pursue a uniform managed care assessment that is compliant with the new CMS standards, which would convert the assessment effective January 1, 2027. The new assessment is anticipated to provide $165 million in resources dedicated to health care delivery and services. These assessments are used as an offset to State General Fund costs, which enables additional resources to be provided to other public programs, including for health care investments.

Through the HSF, $1 billion is used to offset prior Global Cap commitments funded by the General Fund and $2.4 billion is programmed to support health care delivery provided by hospitals, nursing homes, the Safety Net Transformation Program and other targeted investments. Additionally, the FY 2027 Enacted Budget includes $750 million in new resources ($650 million recurring) to support additional spending on critical healthcare provider investments through the HSF.

HEALTHCARE STABILITY FUND[1]
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Opening Balance	**201**	**1,757**	**1,021**	**116**	**0**
Receipts	**2,801**	**3,403**	**724**	**724**	**724**
Miscellaneous Receipts	2,801	2,653	224	224	224
General Fund Transfer	0	750	500	500	500
Disbursements	**1,245**	**4,139**	**1,629**	**840**	**724**
Global Cap Offset	500	500	0	0	0
Hospitals	174	711	680	400	400
Nursing Homes	223	433	433	240	240
Safety Net Transformation	0	330	300	132	16
Federally Qualified Health Centers	0	40	40	0	0
Assisted Living Programs	8	18	18	10	10
Assessment Offsets	142	1,892	58	58	58
All Other	198	215	100	0	0
Closing Balance	**1,757**	**1,021**	**116**	**0**	**0**

[1] This table is illustrative of General Fund disbursements supported by offsets from the Healthcare Stability Fund.

Health Care Transformation Fund (HCTF)

The HCTF was created in 2018 to receive funds associated with health care asset sales and conversions and allocate other funds 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 support for health care transformation activities, including subsidies for housing rental assistance and support for home care delivery.

HEALTH CARE TRANSFORMATION FUND (millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Opening Balance	**270**	**532**	**250**	**0**	**0**
Receipts	**262**	**12**	**0**	**0**	**0**
General Fund Transfer	250	0	0	0	0
STIP Interest	12	12	0	0	0
Planned Uses	**0**	**294**	**250**	**0**	**0**
Home Care Wages	0	250	250	0	0
Housing Rental Subsidies	0	44	0	0	0
Closing Balance	**532**	**250**	**0**	**0**	**0**

Public Health/Aging Programs. The State administers more than 150 separate programs to promote public health and wellbeing and provide access to quality health services for New Yorkers. The largest program, CHP, provides health insurance coverage for children of low-income families up to the age of 19. The Elderly Pharmaceutical Insurance Coverage (EPIC) program provides prescription drug insurance to seniors. Many other health programs are run exclusively by county health departments that receive partial reimbursements from the State based on statutory shares of costs. The largest county-run programs that receive State reimbursements include the Early Intervention (EI) program that provides services to infants and toddlers with disabilities or developmental delays who are under the age of three, and GPHW that covers an assortment of public health services. State spending on public health programs occurs in the General Fund and HCRA and does not include any county share of costs.

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

PUBLIC HEALTH AND AGING
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**3,278**	**3,286**	**0.2%**	**2,867**	**-12.8%**	**2,913**	**1.6%**	**2,949**	**1.2%**
Public Health	**3,079**	**3,039**	**-1.3%**	**2,672**	**-12.1%**	**2,719**	**1.8%**	**2,755**	**1.3%**
Child Health Plus	1,576	1,479	-6.2%	1,420	-4.0%	1,468	3.4%	1,503	2.4%
General Public Health Work	224	244	8.9%	246	0.8%	246	0.0%	246	0.0%
Early Intervention	136	71	-47.8%	71	0.0%	71	0.0%	71	0.0%
Unadjusted (Gross EI Funding)	233	168	-27.9%	168	0.0%	168	0.0%	168	0.0%
Health Services Initiatives Offset	(97)	(97)	0.0%	(97)	0.0%	(97)	0.0%	(97)	0.0%
Nutritional Health	110	191	73.6%	87	-54.5%	87	0.0%	87	0.0%
HPNAP	49	103	110.2%	28	-72.8%	28	0.0%	28	0.0%
Nourish NY	52	79	51.9%	50	-36.7%	50	0.0%	50	0.0%
WIC[1]	9	9	0.0%	9	0.0%	9	0.0%	9	0.0%
Healthcare Workforce Initiatives[2]	32	94	193.8%	94	0.0%	94	0.0%	94	0.0%
General Fund Assistance and Grants	13	76	484.6%	76	0.0%	76	0.0%	76	0.0%
HCRA Workforce Initiatives	19	18	-5.3%	18	0.0%	18	0.0%	18	0.0%
HCRA Program	574	403	-29.8%	316	-21.6%	316	0.0%	313	-0.9%
EPIC	19	44	131.6%	48	9.1%	48	0.0%	48	0.0%
All Other	408	513	25.7%	390	-24.0%	389	-0.3%	393	1.0%
Aging	**199**	**247**	**24.1%**	**195**	**-21.1%**	**194**	**-0.5%**	**194**	**0.0%**

[1] This item represents the State portion of funding for nutritional services for Women, Infants, and Children (WIC). Over $500 million in additional WIC funding is provided annually to the State through Federal funding sources.

[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.

State spending on most public health programs is projected to grow in FY 2027, including increased funding for nutrition assistance programs and healthcare workforce initiatives, but is offset by a one-time FY 2026 investment in the Healthcare Facility Restructuring Program Pool to help stabilize and transform the healthcare delivery system following significant financial distress among hospitals, nursing homes, and other essential providers. In addition, lower enrollment and utilization of the CHP is projected to result in lower spending through FY 2028 with enrollment increases expected beginning thereafter.

Over the multi-year period, higher spending supports programs to address the needs of individuals living in underserved communities by ensuring surplus agricultural products are rerouted through the State's network of food banks; monitoring and providing support for unforeseen public health emergencies; reducing infant, child, and maternal mortality; improving maternal health; providing supplementary medical malpractice coverage to physicians; and maintaining on-going workforce investments to safeguard access to health care.

Additional SOFA program spending is expected to address locally identified capacity needs, including retention of the elderly in their communities; support for family and friends in their caregiving roles; establishment of quality reporting and accreditation for assisted living residences; and implementation of quality improvement initiatives in nursing homes to promote transparency. Additionally, the FY 2027 Enacted Budget provides a Targeted Inflationary Increase for programs related to the aging population, including Community Services for the Elderly, Expanded In-home Services for the Elderly, and Wellness in Nutrition.

HCRA was established in 1996 to receive certain funds to support State health care activities and was reauthorized for 3 years through March 2029 in the FY 2027 Enacted Budget. 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 15 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; Nurses Across New York; and the Statewide Health Information Network for New York (SHIN-NY)/All-Payer Claims Database (APCD).

HCRA FINANCIAL PLAN
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
OPENING BALANCE	**14**	**449**		**0**		**0**		**0**	
TOTAL RECEIPTS	**7,959**	**7,774**	**-2.3%**	**8,118**	**4.4%**	**8,357**	**2.9%**	**8,423**	**0.8%**
Surcharges	5,294	5,390	1.8%	5,708	5.9%	5,973	4.6%	6,063	1.5%
Covered Lives Assessment	1,114	1,150	3.2%	1,150	0.0%	1,150	0.0%	1,150	0.0%
Cigarette and Tobacco Taxes	513	482	-6.0%	505	4.8%	479	-5.1%	455	-5.0%
Hospital Assessments	631	650	3.0%	650	0.0%	650	0.0%	650	0.0%
Excise Tax on Vapor Products	19	19	0.0%	19	0.0%	19	0.0%	19	0.0%
NYC Cigarette Tax Transfer	10	13	30.0%	13	0.0%	13	0.0%	13	0.0%
EPIC Receipts/ICR Audit Fees/Interest	69	70	1.4%	73	4.3%	73	0.0%	73	0.0%
Distressed Provider Assistance[1]	150	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Healthcare Stability Fund Transfer	159	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL DISBURSEMENTS AND TRANSFERS	**7,524**	**8,223**	**9.3%**	**8,118**	**-1.3%**	**8,357**	**2.9%**	**8,423**	**0.8%**
Medicaid Assistance Account	4,739	5,402	14.0%	5,432	0.6%	5,614	3.4%	5,631	0.3%
Medicaid Costs	4,414	5,227	18.4%	5,257	0.6%	5,439	3.5%	5,456	0.3%
Distressed Provider Assistance[1]	150	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
Workforce Recruitment & Retention	175	175	0.0%	175	0.0%	175	0.0%	175	0.0%
Hospital Indigent Care	411	631	53.5%	631	0.0%	631	0.0%	631	0.0%
HCRA Program Account	600	440	-26.7%	352	-20.0%	352	0.0%	352	0.0%
Child Health Plus	1,596	1,507	-5.6%	1,454	-3.5%	1,507	3.6%	1,548	2.7%
Elderly Pharmaceutical Insurance Coverage	32	56	75.0%	60	7.1%	60	0.0%	60	0.0%
Qualified Health Plan Administration	22	40	81.8%	47	17.5%	50	6.4%	58	16.0%
Roswell Park Cancer Institute	51	51	0.0%	51	0.0%	51	0.0%	51	0.0%
SHIN-NY/APCD/Modernization	45	44	-2.2%	44	0.0%	44	0.0%	44	0.0%
All Other	28	52	85.7%	47	-9.6%	48	2.1%	48	0.0%
ANNUAL OPERATING SURPLUS/(DEFICIT)	**435**	**(449)**		**0**		**0**		**0**	
CLOSING BALANCE	**449**	**0**		**0**		**0**		**0**	

[1] HCRA Financial Plan includes resources from local county contributions in support of State funded payments to distressed health care providers through the Medicaid program.

HCRA receipts are anticipated to grow over the multi-year plan period except for cigarette tax revenues that reflect a continuing trend of declining taxable cigarette consumption. Effective FY 2027, the $150 million interception of NYC sales tax receipts used to fund NYC distressed providers is eliminated to provide fiscal assistance to NYC and thereby increase State costs in the General Fund. The FY 2027 Enacted Budget also authorized a tax on alternative nicotine products including a required annual deposit of $50 million in additional revenues to HCRA beginning FY 2028.

HCRA spending over the multi-year plan period reflects over $5 billion in continued support for Medicaid spending, including approximately $1.5 billion for the CHP program. Projected CHP enrollment and utilization decline through FY 2028 are expected to reverse course thereafter. Additionally, the FY 2027 Enacted Budget includes $155 million to maintain MIF solvency and keep the program open to new enrollees. However, due to increased enrollment, escalating average medical costs per enrollee, and legislatively mandated average commercial reimbursement requirements, which are in place until June 1, 2027, the program is expected to close to new enrollees sometime in FY 2028 if additional funding is not allocated by the State. If closed to new enrollees, those who would have been considered qualified plaintiffs and automatically enrolled in the MIF will instead be able to seek legal recourse against hospitals and physicians for medical costs.

HCRA is expected to remain in balance over the Financial Plan period; however, if a shortfall is experienced, spending reductions would occur consistently with the authorized appropriation structure and could increase General Fund costs for Medicaid and/or other programs partly funded in HCRA. Conversely, any unanticipated balances or excess resources in HCRA are expected to be made available to lower General Fund Medicaid costs.

Mental Hygiene

The Mental Hygiene agencies consist of OPWDD, OMH, OASAS, the Council on Developmental Disabilities, and the Justice Center for the Protection of People with Special Needs (Justice Center). OPWDD, OMH, and OASAS 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, and people with substance use and gambling disorders. The service costs are reimbursed by Medicaid, Medicare, third-party insurance, and State funding.

MENTAL HYGIENE

(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**8,324**	**8,114**	**-2.5%**	**8,716**	**7.4%**	**9,010**	**3.4%**	**9,170**	**1.8%**
People with Developmental Disabilities	**5,243**	**5,731**	**9.3%**	**5,811**	**1.4%**	**5,921**	**1.9%**	**5,947**	**0.4%**
Residential Services	2,607	2,849	9.3%	2,888	1.4%	2,941	1.8%	2,955	0.5%
Day Programs	1,475	1,611	9.2%	1,633	1.4%	1,664	1.9%	1,671	0.4%
Clinic	37	40	8.1%	41	2.5%	42	2.4%	42	0.0%
All Other Services (Net of Offsets)	1,124	1,231	9.5%	1,249	1.5%	1,274	2.0%	1,279	0.4%
Mental Health	**2,608**	**3,047**	**16.8%**	**3,061**	**0.5%**	**3,246**	**6.0%**	**3,298**	**1.6%**
Adult Local Services	2,310	2,716	17.6%	2,751	1.3%	2,919	6.1%	2,966	1.6%
Children Local Services	272	305	12.1%	308	1.0%	327	6.2%	332	1.5%
MLR/BHET Reinvestment[1]	26	26	0.0%	2	-92.3%	0	-100.0%	0	0.0%
Addiction Services and Supports	**530**	**776**	**46.4%**	**690**	**-11.1%**	**667**	**-3.3%**	**684**	**2.5%**
Residential	116	167	44.0%	174	4.2%	178	2.3%	182	2.2%
Other Treatment	191	279	46.1%	290	3.9%	295	1.7%	303	2.7%
Prevention	55	76	38.2%	79	3.9%	80	1.3%	83	3.8%
Recovery	49	67	36.7%	70	4.5%	72	2.9%	74	2.8%
Opioid Settlement Fund[2]	80	130	62.5%	54	-58.5%	38	-29.6%	38	0.0%
Opioid Stewardship Fund[3]	35	37	5.7%	19	-48.6%	0	-100.0%	0	0.0%
MLR/BHET Reinvestment[1]	4	20	400.0%	4	-80.0%	4	0.0%	4	0.0%
Justice Center	**1**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**
DOH Medicaid Global Cap Adjustments	**(58)**	**(1,441)**	**-2384.5%**	**(847)**	**41.2%**	**(825)**	**2.6%**	**(760)**	**7.9%**
TOTAL MENTAL HYGIENE SPENDING	**8,382**	**9,555**	**14.0%**	**9,563**	**0.1%**	**9,835**	**2.8%**	**9,930**	**1.0%**

1 The Financial Plan reinvests recoveries from Managed Care companies attributable to their underspending against Medical Loss Ratio (MLR) by Health and Recovery Plans 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.

The FY 2027 Enacted Budget maintains continued support to ensure individuals with developmental disabilities have appropriate access to care, including funding to expand independent living opportunities, provide choice in service options, and support increased utilization levels.

The Enacted Budget also supports OMH community services and the transition of individuals from inpatient to community settings. OMH has continued to enhance its service offerings in recent years by expanding supported housing units throughout the state, tripling the number of certified behavioral health clinics, adding more inpatient capacity at community-based hospitals and State-operated psychiatric centers, expanding and/or creating community behavioral health crisis response pilot programs, and expanding youth services, such as the teen Mental Health First Aid (tMHFA) program.

Funding for OASAS programs reflects the ongoing support to not-for-profit providers for addiction prevention, treatment, harm reduction, and recovery programs. The multi-year Financial Plan includes approximately $430 million in resources from the Opioid Stewardship Tax and litigation settlements with pharmaceutical manufacturers and distributors that will be targeted at the overdose epidemic through investments in substance use disorder programs.

The Financial Plan also continues funding for provider reimbursements associated with scheduled increases to the minimum wage index and to establish and operate 3,500 new residential units for New Yorkers with mental illness; expand outpatient mental health services; enhance mental health services in schools; and increase funding for specialized programs for youth. The Enacted Budget also includes a 2.7 percent targeted inflationary increase for eligible programs run by voluntary providers.

The level of Mental Hygiene spending reported under the DOH Medicaid Global Cap has 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 to 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 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,653**	**2,632**	**-0.8%**	**2,073**	**-21.2%**	**2,149**	**3.7%**	**2,267**	**5.5%**
SSI	514	530	3.1%	530	0.0%	530	0.0%	530	0.0%
Public Assistance Benefits	868	824	-5.1%	841	2.1%	858	2.0%	876	2.1%
Public Assistance Initiatives	30	57	90.0%	32	-43.9%	10	-68.8%	27	170.0%
Homeless Housing and Services	258	396	53.5%	544	37.4%	625	14.9%	709	13.4%
Rental Assistance	89	175	96.6%	115	-34.3%	115	0.0%	115	0.0%
Asylum Seeker Assistance	884	634	-28.3%	0	-100.0%	0	0.0%	0	0.0%
All Other	10	16	60.0%	11	-31.3%	11	0.0%	10	-9.1%

DOB's caseload models project a total of 722,013 public assistance recipients in FY 2027. Approximately 207,446 families are expected to receive benefits through the Family Assistance program and 142,316 through the Safety Net Assistance program in FY 2027, roughly flat for both programs from FY 2026. The caseload for single adults and childless couples supported through the Safety Net Assistance program is projected to be 372,251 in FY 2027, an increase of 2.9 percent from FY 2026.

Rental Assistance is expected to rise in FY 2027 due to the timing of Emergency Rental Assistance program payments that were not disbursed in FY 2026. Homeless Housing and Services program growth in FY 2027 and the out-years reflects the continued transition from State settlement funds to the General Fund for the Empire State Supportive Housing Initiative (ESSHI). ESSHI funds supportive housing constructed for vulnerable homeless populations under the Governor's Affordable Housing and Homelessness Plan and reflects the full estimated costs that are shared by multiple agencies. The decline in Asylum Seeker Assistance reflects one-time funding provided to NYC.

Growth in Public Assistance Initiatives includes the continued spending of prior year State of the State initiatives, including subway safety in NYC, shelter arrears eviction forestallment efforts, and support to children living in poverty.

OCFS

OCFS provides funding for foster care, adoption, child protective services, preventive services, delinquency prevention, and child care. It oversees the State's system of family support and child welfare services administered by local social services districts and community-based organizations. 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. Also financed by a combination of Federal, State, and local sources, the Child Care Block Grant supports child care subsidies for public assistance, as well as low and middle-income families.

CHILDREN AND FAMILY SERVICES
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**3,837**	**5,265**	**37.2%**	**5,425**	**3.0%**	**5,735**	**5.7%**	**5,811**	**1.3%**
Child Welfare Service	1,320	990	-25.0%	1,019	2.9%	1,049	2.9%	1,081	3.1%
Foster Care Block Grant	414	422	1.9%	415	-1.7%	414	-0.2%	414	0.0%
Child Care	1,063	2,668	151.0%	2,838	6.4%	3,109	9.5%	3,150	1.3%
Adoption	178	170	-4.5%	167	-1.8%	169	1.2%	169	0.0%
Youth Programs	272	510	87.5%	510	0.0%	510	0.0%	510	0.0%
Medicaid	164	120	-26.8%	121	0.8%	123	1.7%	123	0.0%
Adult Protective/Domestic Violence	189	120	-36.5%	124	3.3%	127	2.4%	131	3.1%
Committees on Special Education	0	0	0.0%	29	100.0%	29	0.0%	29	0.0%
All Other	237	265	11.8%	202	-23.8%	205	1.5%	204	-0.5%

The Financial Plan significantly increases the State's investment in child care subsidies for eligible families up to 85 percent of the State median income. Funding is also provided for the launch of 2-Care, a program that will offer free child care to all two-year-olds in NYC. The 2-Care program is expected to begin as a pilot program and scale up to cover all two-year-olds by FY 2030. Investments will also be made in innovative child care pilots to expand capacity in select counties in New York State and support voluntary, local zoning changes to increase child care capacity.

In addition, spending growth reflects assistance to NYC for youth diversion programs, a 2.7 percent targeted inflationary increase in FY 2027 for eligible programs, minimum wage support for eligible programs, funding for a youth sports grant program, and investments in local detention capital projects. The budget maintains the current financing structure for residential school placements of children with special needs. Payments for the child welfare program will continue to support LDSS 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 44,475 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 2027, the State plans to provide $9.7 billion in total operating aid to mass transit systems. The MTA, the nation's largest transit and commuter rail system, is scheduled to receive $4.5 billion of the State's on-budget mass transit operating aid and $4.2 billion from the direct remittance of various dedicated taxes and fees that do not flow through the State's Financial Plan and are thus excluded from the table below.

TRANSPORTATION
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
STATE OPERATING FUNDS SUPPORT	**5,354**	**5,671**	**5.9%**	**5,593**	**-1.4%**	**5,589**	**-0.1%**	**5,591**	**0.0%**
Mass Transit Operating Aid:	4,094	3,143	-23.2%	3,091	-1.7%	3,060	-1.0%	3,028	-1.0%
Metro Mass Transit Aid	3,931	2,975	-24.3%	2,923	-1.7%	2,892	-1.1%	2,860	-1.1%
Public Transit Aid	119	124	4.2%	124	0.0%	124	0.0%	124	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	158	159	0.6%	161	1.3%	163	1.2%	164	0.6%
Dedicated Mass Transit	632	1,866	195.3%	1,867	0.1%	1,898	1.7%	1,931	1.7%
AMTAP	198	225	13.6%	225	0.0%	224	-0.4%	224	0.0%
Innovative Mobility	0	6	0.0%	4	-33.3%	0	-100.0%	0	0.0%
All Other	28	28	0.0%	1	-96.4%	0	-100.0%	0	0.0%

The aggregate increase in projected operating aid to the MTA and other transit systems primarily reflects the current receipts forecast. Increased spending includes an additional $258 million to the MTA, $43 million for other downstate transit systems, and $25 million for upstate systems.

The redirection of 85 percent of the annual Metropolitan Commuter Transportation District sales tax revenues previously deposited into the Metropolitan Mass Transportation Operating Assistance Account, into two of the Dedicated Mass Transportation Trust Fund accounts on behalf of the MTA, results in a $1.2 billion shift in spending between the two programs.

Extraordinary State Funding for Asylum Seeker Assistance

The FY 2027 Enacted Budget does not include any new funding for asylum seeker assistance. The Financial Plan includes the remaining spending of dedicated funding that assisted NYC with the humanitarian crisis that brought thousands of asylum seekers to NYC.

State management and coordination of the funding and assistance spanned multiple agencies. Reimbursement for short-term shelter services for migrant individuals and families and Safety Net Assistance for asylum seekers who are eligible was administered by the OTDA. Infectious disease testing and vaccination activities, as well as the provision of coverage to eligible individuals through the State's public health insurance programs, was supported by the DOH. Other agencies of the State, including the Division of Homeland Security and Emergency Services (DHSES), the Department of State and the OGS assisted nonprofit organizations, provided reimbursement for shelter sites, and supported case management and legal services.

The State fully covered the cost of the Humanitarian Emergency Response and Relief Center for 5,000 beds at three sites, made multiple State-owned sites available for use as shelters, and provided extraordinary State funding for asylum seeker assistance.

The table below provides a summary of the State spending for asylum seeker assistance through FY 2026 and the remaining spending planned for FY 2027.

ASYLUM SEEKER ASSISTANCE
STATE OPERATING FUNDS
(in millions)

	Actuals				Projected	
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Total State Funding	**27**	**895**	**1,180**	**1,033**	**753**	**3,888**
Direct Funding for NYC	0	556	826	1,020	728	3,130
Original NYC Support	*0*	*500*	*500*	*0*	*0*	*1,000*
Additional NYC Support	*0*	*0*	*250*	*272*	*634*	*1,156*
Additional Aid for Randall's Island, Creedmoor, and Floyd Bennett	*0*	*0*	*0*	*564*	*0*	*564*
Safety Net Assistance [1]	*0*	*26*	*67*	*67*	*67*	*227*
Case Management/Legal Services/Vaccines/Disease Testing/All Other	*0*	*30*	*9*	*117*	*27*	*183*
National Guard Deployment	27	163	153	0	0	343
Health Care[1]/Vaccines/Disease Testing	0	137	137	0	0	274
Floyd Bennett Rent/Resettlement/Case Management/Legal Services/All Other	0	39	64	13	25	141

[1] Due to system limitations, actual incremental costs for Health Care and Safety Net Assistance cannot be separately identified. As such, estimated costs are shown in the actuals column and are not continued in FY 2026 in Health Care.

State Operations

State operations spending consists of PS and NPS. 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 state operations costs of DOT and the Department of Motor Vehicles 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: PEF, which represents professional and technical personnel (attorneys, nurses, accountants, engineers, social workers, and institution teachers); CSEA, which represents office support staff, administrative personnel, machine operators, skilled trade workers, and therapeutic and custodial care staff; UUP, which represents faculty and nonteaching professional staff within the SUNY system; and NYSCOPBA, which represents security personnel (correction, safety and security officers).

The following table presents certain factors used in preparing the spending projections for state operations.

FORECAST OF SELECTED PROGRAM MEASURES AFFECTING PERSONAL SERVICE AND FRINGE BENEFITS

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
State Workforce[1]	115,694	125,062	--	--	--
ERS Contribution Rate[2]	17.2%	18.9%	20.4%	22.6%	25.6%
PFRS Contribution Rate[2]	34.4%	37.3%	38.3%	40.1%	42.5%
Employee/Retiree Health Insurance Growth Rates[3]	2.8%	8.7%	8.0%	8.0%	8.0%

[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.

[3] Reflects normal costs, excluding deposits to the RHBTF and the impact of Health Insurance prepayments.

State 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 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
SUBJECT TO DIRECT EXECUTIVE CONTROL	**14,190**	**15,409**	**16,196**	**16,005**	**16,062**
Corrections and Community Supervision	3,016	3,095	3,149	3,149	3,149
Office of Mental Health	2,107	2,230	2,255	2,289	2,322
Office for People with Developmental Disabilities	1,815	1,907	1,918	1,941	1,965
Department of Health	903	1,121	1,135	1,132	1,158
State Police	1,070	966	985	984	983
Information Technology Services	764	788	788	790	790
Transportation	465	385	396	408	420
Tax and Finance	357	360	357	357	357
Children and Family Services	259	286	316	316	316
Environmental Conservation	296	299	305	311	317
Office of Parks, Recreation and Historic Preservation	275	292	290	291	291
Department of Financial Services	257	248	241	240	240
Education	193	206	208	208	208
Office of Temporary and Disability Assistance	166	228	199	185	185
Labor	76	87	78	78	78
All Other	2,171	2,911	3,576	3,326	3,283
UNIVERSITY SYSTEMS	**8,526**	**9,438**	**9,735**	**10,108**	**10,502**
State University	8,526	9,438	9,735	10,108	10,502
INDEPENDENT AGENCIES	**485**	**537**	**545**	**545**	**545**
Law	279	311	315	315	315
Audit & Control (OSC)	206	226	230	230	230
TOTAL, EXCLUDING JUDICIARY AND LEGISLATURE	**23,201**	**25,384**	**26,476**	**26,658**	**27,109**
Judiciary	**2,574**	**2,806**	**2,806**	**2,806**	**2,806**
Legislature	**281**	**317**	**317**	**317**	**317**
Statewide Total	**26,056**	**28,507**	**29,599**	**29,781**	**30,232**
Personal Service	18,322	19,852	20,837	20,857	20,996
Non-Personal Service	7,734	8,655	8,762	8,924	9,236

State operations spending for Executive agencies is affected by incremental salary increases, inflation, and new investments. Excluding salary increases and inflation, agency spending changes include:

- **Department of Corrections and Community Supervision (DOCCS)** spending in FY 2027 and beyond reflects the continuation of significant investments to ensure the safety and security of the correctional system and includes funding to support new initiatives such as an electronic health records system, recruitment office expansion, and the creation of a body-worn camera Freedom of Information Law unit. Growth from FY 2026 to FY 2027 appears low as a result of enhanced overtime rate payments provided in FY 2026.

- **OMH** spending growth reflects continued support of various mental health programs, including new inpatient bed growth, the implementation of the new electronic health record system, enhanced staffing at forensic psychiatric centers to improve patient outcomes, and staffing to support the expansion of the Indigenous Mental Wellbeing Pilot Program.

- **OPWDD** increased funding over the multi-year plan reflects efforts to increase staffing levels, including direct care support. Additionally, the Enacted Budget includes the shift of contract costs from DOH to OPWDD for required assessments processed in relation to the Coordinated Assessment System which assists with developing individual support plans.

- **DOH** spending growth is reflective of H.R. 1 impacts associated with the elimination of Federal funding for State Operations under the 1331 BHP, and the Federal government requirement for states to establish Medicaid community engagement requirements for certain non-exempted populations. These requirements include at least 80 hours per month of work, education, and/or community service to be eligible for Medicaid benefits.

  In addition to H.R. 1, growth is driven by additional funding to complete the transition of the Medicaid Enterprise Client Management system to take over various functions currently handled by LDSS staff, including eligibility determinations, enrollment, and consumer assistance.

  Additional funding is provided to improve program operations in relation to requests for vital records, strengthen cardiac emergency readiness statewide, expand the use of AI in healthcare safely and equitably, and stabilize the healthcare workforce by reducing reliance on temporary healthcare workers within New York State. This includes both staffing and contractual services resources for programs. Finally, additional funding has been added for programs created and strengthened by legislative bills.

- **State Police** spending drops in FY 2027 due to the payment of three years of retroactive costs associated with collective bargaining paid to employees in FY 2026. Excluding the retro payments, spending growth is attributable to rising salary and operational expenses, and new initiatives to develop a comprehensive plan for drone use and combat auto insurance theft.

- **ITS** spending growth reflects continued investments in resources dedicated to cybersecurity and the IT workforce as well as system modernization and demographic data collection efforts.

- **Transportation** spending for snow and ice removal is projected to decline following a high level of winter storm activity experienced in the prior year.

- **OCFS** spending in FY 2027 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. Funding is also provided for the new Office of Child Care and Early Education, which will drive the implementation of high-quality child care in New York State.

- **OTDA** spending in FY 2027 reflects projected costs for the anticipated fiscal penalty assessed to the State related to the SNAP quality control error rate to be paid to the Federal government on behalf of the local districts, as well as additional administrative cost sharing increases because of H.R. 1.

- **All Other Executive Agencies** spending increases in FY 2027 reflect rising operational costs across multiple agencies driven by inflation and staffing. In addition, funding is provided to the Office of Cannabis Management to support the seed-to-sale system. Other funding increases include support for public service announcements and the Joint Task Force Empire Shield Mission.

- **State University** spending growth reflects escalating staffing levels, additional State operating support for four-year campuses and SUNY Downstate Hospital, as well as targeted Executive and legislative adds, including the New York Career Connect Initiative, the Educational Opportunity Program, and an expansion to the State's Opportunity Promise Scholarship.

- **Judiciary** growth supports the cost of non-judicial staffing increases, four court officer academies, collective bargaining agreements, overtime costs, as well as various new investments. The Judiciary's Budget includes funding for: the annualization of judgeships, statutorily required judicial pay increases, various technology initiatives, and costs associated with rent increases. New funding is also provided to support increased Attorney for Child provider funding, enhancements to Family Court services, expansion of peer advocacy and court navigator programs, the creation of Mental Health parts in NYC Family Court, the establishment of best practices training in youth and problem-solving courts, a new lab-based drug testing program, and the expansion of Housing Court Help Centers.

Workforce

In FY 2027, nearly $20 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 2027 FTEs[1] AND PERSONAL SERVICE SPENDING BY AGENCY
(millions of dollars)

	Dollars	FTEs
SUBJECT TO DIRECT EXECUTIVE CONTROL	**11,039**	**101,926**
Corrections and Community Supervision	2,510	23,633
Office for People with Developmental Disabilities	1,593	18,740
Office of Mental Health	1,643	15,154
State Police	854	6,443
Department of Health	424	4,509
Information Technology Services	396	4,030
Tax and Finance	278	3,898
Transportation	196	2,590
Environmental Conservation	255	2,533
Children and Family Services	184	2,385
Office of Parks, Recreation and Historic Preservation	225	1,878
Education	126	1,501
Department of Financial Services	180	1,493
Office of Temporary and Disability Assistance	88	1,133
Workers' Compensation Board	98	1,112
All Other	1,989	10,894
UNIVERSITY SYSTEMS	**5,865**	**50,958**
State University	5,865	50,958
INDEPENDENT AGENCIES	**2,948**	**21,282**
Law	229	2,015
Audit & Control (OSC)	180	1,672
Judiciary	2,296	17,592
Legislature[2]	243	3
Statewide Total	**19,852**	**174,166**

[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.

GSCs

GSC 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 GSC 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 the General Fund. Some agencies with dedicated revenue sources outside of the General Fund partially reimburse the General Fund via the agency fringe benefit assessments process.

GENERAL STATE CHARGES
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
TOTAL STATE OPERATING FUNDS	**11,835**	**12,846**	**8.5%**	**13,833**	**7.7%**	**14,938**	**8.0%**	**16,113**	**7.9%**
Fringe Benefits	**11,352**	**12,338**	**8.7%**	**13,316**	**7.9%**	**14,410**	**8.2%**	**15,575**	**8.1%**
Health Insurance	5,887	6,299	7.0%	6,703	6.4%	7,211	7.6%	7,936	10.1%
Retiree Health Benefit Trust Fund	250	250	0.0%	250	0.0%	250	0.0%	250	0.0%
Pensions	3,141	3,771	20.1%	4,242	12.5%	4,720	11.3%	5,048	6.9%
Social Security	1,359	1,410	3.8%	1,454	3.1%	1,500	3.2%	1,547	3.1%
Workers' Compensation	622	643	3.4%	681	5.9%	722	6.0%	765	6.0%
Employee Benefits	110	112	1.8%	114	1.8%	117	2.6%	121	3.4%
Dental Insurance	75	77	2.7%	79	2.6%	81	2.5%	84	3.7%
Unemployment Insurance	19	15	-21.1%	15	0.0%	15	0.0%	15	0.0%
All Other/(Escrow Receipt)	(111)	(239)	-115.3%	(222)	7.1%	(206)	7.2%	(191)	7.3%
Fixed Costs	**483**	**508**	**5.2%**	**517**	**1.8%**	**528**	**2.1%**	**538**	**1.9%**
Public Land Taxes/PILOTS	322	333	3.4%	342	2.7%	353	3.2%	363	2.8%
Litigation	161	175	8.7%	175	0.0%	175	0.0%	175	0.0%

GSC spending over the Financial Plan period is primarily driven by increased spending on pensions and health insurance costs. Pension growth reflects benefit enhancements included in the FY 2027 Enacted Budget for Tier 5 and 6 members, as well as certain uniformed groups. These enhancements include lower contribution rates for both ERS and PFRS members, increases in the allowable overtime pay when determining a retirement benefit, and increases in the employer contribution rates for those participating in a defined contribution retirement plan. In addition, changes to pension spending include PBANYS 20-year and 25-year retirement plan contribution rates and enhanced death benefits for New York State Correction Officers and Security Hospital Treatment Assistants in NYSCOPBA. The Enacted Budget also includes increases in the reimbursement for the Special Accidental Death Benefit payments made by NYC for various first responders who were killed in the line of duty. Outyear pension growth is further compounded by conservative pension fund investment returns, continued growth in the State workforce and other salary increases.

Health Insurance growth is primarily driven by the increased costs of health care services, with NYSHIP projections correlating with continued growth rates in the hospital, medical and pharmaceutical industries, as well as the changes in the healthcare industry as new technology and medicines, such as GLP-1 drugs, continue to drive up costs and healthcare utilization. The increases are partially offset by changes made in the FY 2027 Enacted Budget which sought to address the high cost of medical claims paid by the Empire Plan through the Federal No Surprise Bill Act.

Programmatically, the State continues to fund health care expenses for both active employees and retirees as they become due. To help limit the State's liability exposure to post-employment health benefits of retired employees and their dependents, the State has made aggregate deposits to the RHBTF totaling $2.0 billion through FY 2026. The Financial Plan assumes $250 million in annual deposits will continue if fiscal conditions permit. Under current law, the State may deposit into the RHBTF, in any given fiscal year, up to 1.5 percent of the total then-current unfunded actuarial accrued OPEB liability.

Social Security and Workers' Compensation spending reflects the continued growth in the State workforce and other salary increases. Other fringe benefits and fixed costs reflect forecasted spending trends and property tax increases. The increase in FY 2026 for All Other/(Escrow Receipt) is driven by the partial repayment of past due health insurance premiums to the State's Health Insurance Fund from the three SUNY hospitals.

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, Dormitory Authority of the State of New York, and New York State Thruway Authority, for which debt service is subject to annual appropriation by the State Legislature. Depending on the credit structure, debt service is financed by transfers from the General Fund and dedicated taxes and fees.

DEBT SERVICE SPENDING PROJECTIONS
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	Change	FY 2028 Projected	Change	FY 2029 Projected	Change	FY 2030 Projected	Change
General Fund	266	294	10.5%	325	10.5%	563	73.2%	332	-41.0%
Other State Support	5,484	2,881	-47.5%	3,424	18.8%	5,381	57.2%	6,176	14.8%
Total State Operating Funds	**5,750**	**3,175**	**-44.8%**	**3,749**	**18.1%**	**5,944**	**58.5%**	**6,508**	**9.5%**

State Operating Funds debt service is projected to be $3.2 billion in FY 2027, of which $294 million is paid from the General Fund and $2.9 billion is paid from other State funds supported by dedicated tax receipts. The General Fund finances debt service payments on General Obligation Bonds and service contract bonds, including service contract payments to GDC relating to the Hudson Tunnel Project. 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.

Debt service spending levels are impacted by prepayments. The Financial Plan reflects prepayments that totaled $4.5 billion in FY 2026 and a new prepayment of $1.5 billion in FY 2027. As shown in the table below, the net impact of these prepayments and prior year prepayments decreases debt service costs in FY 2026 through FY 2031.

STATE DEBT SERVICE
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Base Debt Service	**6,415**	**6,735**	**7,749**	**8,444**	**8,508**	**9,232**
Total Prepayment Adjustment	**(665)**	**(3,560)**	**(4,000)**	**(2,500)**	**(2,000)**	**(495)**
Prior Prepayments	(5,160)	(3,060)	(2,500)	(2,500)	0	0
FY 2026 Prepayment	4,495	(2,000)	0	0	(2,000)	(495)
FY 2027 Prepayment	0	1,500	(1,500)	0	0	0
Enacted Budget Debt Service	**5,750**	**3,175**	**3,749**	**5,944**	**6,508**	**8,737**

The FY 2027 Enacted Budget includes liquidity financing in the form of up to $3 billion PIT notes as a tool to manage unanticipated financial disruptions. The Financial Plan does not assume any PIT note issuances. DOB evaluates cash results regularly and may adjust the use of notes 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 $17.8 billion of PAYGO capital resources that were added since FY 2023.

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FEDERAL AID

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The Federal government influences the economy and budget of New York State through policy and regulations, including Federal tax policy, cost-sharing for various programs and various grants, as well as direct spending on its own programs such as Medicare and Social Security. The State's income tax system interacts closely with the Federal system and changes to the Federal tax code have significant flow-through effects on State tax burdens and concomitantly on State tax receipts. Federal resources provided to the State support vital services such as health care, education, and transportation, as well as severe weather and emergency response and recovery, and climate resiliency and clean energy programs. Federal policymakers may place conditions on grants, mandate certain state actions, preempt state laws, alter taxpayer behavior through tax policies, such as placing limits on SALT deductions, and influence industries through regulatory action. Any changes to Federal policy or reductions in funding levels could have a materially adverse impact on the Financial Plan.

Routine Federal aid supports programs for vulnerable populations, including disabled individuals and those living at or near the poverty level. Such programs include Medicaid, SNAP, TANF, Elementary and Secondary Education Act Title I grants, and Individuals with Disabilities Education Act grants. Other Federal resources are directed at infrastructure and public safety.

FEDERAL FUNDS DISBURSEMENTS
OPERATING AND CAPITAL
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
DISBURSEMENTS	**92,858**	**96,862**	**95,144**	**94,809**	**88,119**
Medicaid / Essential Plan[1]	72,669	77,501	75,303	75,210	68,510
Health	4,193	4,102	4,003	3,933	3,991
Social Welfare	6,504	5,400	5,379	5,190	5,131
Education	4,245	4,477	4,477	4,477	4,477
Public Protection	1,348	1,303	1,301	1,302	1,302
Transportation	2,285	2,533	2,952	2,988	3,000
All Other	1,614	1,546	1,729	1,709	1,708
PANDEMIC ASSISTANCE	**2,195**	**850**	**24**	**24**	**24**
Education ARP Funds	103	0	0	0	0
FEMA Local Pass-Through Funding	1,842	650	0	0	0
Coronavirus Capital Projects Fund	69	69	0	0	0
State Small Business Credit Initiative	98	24	24	24	24
FHWA Surface Transportation Block Grant	83	107	0	0	0
TOTAL FEDERAL FUNDS	**95,053**	**97,712**	**95,168**	**94,833**	**88,143**

[1] Reflects H.R.1 policy changes to the Essential Plan. Projections assume the transition to the BHP under Section 1331 of the ACA .

In FY 2027, increased Federal spending is mainly due to higher Federal Medicaid claims resulting from higher levels of utilization in Other Long Term Care categories driven by increases in NHTD and higher pharmacy costs linked to an increase in drug prices, partially offset by a reduction in pandemic assistance spending. Federal Funds spending supports the following program areas:

- **Medicaid/Health.** The Federal government helps support health care costs for over eight and a half million New Yorkers, including more than two and a half million children. Medicaid is the single largest category of Federal funding. The Federal government also provides support for several health programs administered by DOH, including the EP.

  In July 2025, H.R. 1 established the Rural Health Transformation Program which is intended to transform the healthcare delivery system and improve healthcare access, quality, and outcomes in rural communities throughout the country. New York was awarded $212 million for the first year of the program. Funding will be used to address workforce shortages, invest in technology innovation and cybersecurity in rural hospitals, as well as establish regional networks linking hospitals, Federally Qualified Health Centers, and behavioral health providers. The program will require annual budgeting and progress reporting, where future budget allocations are dependent on the successful funding of previous awards.

- **Social Welfare.** Federal funding assists several programs managed by OTDA, including TANF-funded public assistance benefits and the Flexible Fund for Family Services, HEAP, SNAP, and Child Support. Funding from the Federal government also supports programs managed by OCFS, including Child Care, Child Welfare Services, Adult Protective & Domestic Violence Services, Foster Care, and Adoption Subsidies.

- **Education.** Federal funding supports K-12 education, special education, and higher education. Like Medicaid and the social services programs, significant portions of Federal education funding are directed toward vulnerable New Yorkers, such as students in schools with high poverty levels, students with disabilities, and higher education students who qualify for programs such as Pell grants and Work-Study.

- **Public Protection.** Federal funding supports various programs and operations of the State Police, DHSES, DOCCS, the Division of Military and Naval Affairs, and the Office of Victim Services, which is distributed to municipalities to support a variety of public safety programs.

- **Transportation.** Federal resources support infrastructure investments in highway and transit systems throughout the State, including funding participation in ongoing transportation capital plans. The Infrastructure Investment and Jobs Act increased the amount of Federal resources available to the State to fund capital costs associated with transportation projects.

- **All Other.** Other programs supported by Federal resources include housing, economic development, mental hygiene, parks and environmental conservation, and general government uses.

Essential Plan

The EP is a health insurance program which receives Federal subsidies authorized through the ACA and provides coverage for New York State residents who are lawfully present in the United States, including lawfully present immigrants not eligible for Federal Medicaid or CHP, or 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 jointly by the State and Federal governments. The Exchange – NYSOH – serves as a centralized marketplace to shop for, compare, and enroll in a health plan.

Over 1.7 million New Yorkers are currently enrolled in the EP; however, in H.R. 1, a provision was included that disqualifies most of the lawfully present immigrant population from receiving Federal funding for their EP benefits. By January 1, 2027, implementation of this provision would result in over half of the program's Federal funding being eliminated, jeopardizing the program's continued operation. These lawfully present immigrants may otherwise qualify for the Medicaid program with State-only dollars, which would generate additional State costs.

On October 20, 2025, DOH applied to CMS to terminate its 1332 State Innovation Waiver and EP expansion and reactivate its suspended BHP authorized under Section 1331 of the ACA to maintain coverage for as many individuals as possible. The State obtained formal approval of its 1331 BHP Blueprint and its request to terminate the EP's 1332 State Innovation Waiver on February 27, 2026, and March 20, 2026, respectively. The transition from the 1332 Waiver to the 1331 BHP is expected to occur on July 1, 2026. CMS approval allows qualifying EP enrollees with incomes below 200 percent of the FPL to maintain the same level of health coverage as under the 1332 Waiver.

ESSENTIAL PLAN[1]
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Receipts	**14,586**	**9,140**	**6,938**	**6,274**	**TBD**
Federal Grants	14,203	8,750	6,666	6,196	TBD
Miscellaneous Receipts	383	390	272	78	TBD
Disbursements	**14,122**	**11,280**	**11,251**	**9,117**	**TBD**
Assistance and Grants	13,604	11,077	11,251	9,117	TBD
State Operations	518	203	0	0	TBD

[1] Absent programmatic changes, Federal EP funds are expected to be depleted as of December 31, 2028 at which time the approximately 636,000 individuals are expected to transition from EP to the State's Medicaid program. The State continues to explore programmatic changes and options that may extend EP funds available to continue coverage into FY 2030.

Under the original EP, Federal funding was advanced pursuant to a formula that deposited 95 percent of the calculation of what EP enrollees would have received had they enrolled in a Qualified Health Plan. These funds were earmarked exclusively for eligible expenses under the Section 1331 BHP, which was limited to reducing premiums and cost sharing, as well as providing additional benefits for eligible EP enrollees. Due to restrictions on eligible expenses, receipts have exceeded disbursements, resulting in a surplus fund balance. With approval of the 1332 Waiver, effective April 1, 2024, this accumulated balance was suspended for the life of the Waiver, previously expected through December 31, 2029. The funds accumulated under the original EP will be utilized for allowable programmatic expenses.

PRIOR FISCAL YEARS

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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. Except for FY 2026 financial results, the State's GAAP-basis financial results set forth in this section have been audited. Note the FY 2026 financial results included in this AIS are preliminary and unaudited.

Cash-Basis Results for Prior Fiscal Years

General Fund FY 2024 Through FY 2026

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. Transfers from the General Fund to other funds primarily support capital projects, university operations, and certain State-share Medicaid expenses, paid from 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 $9.8 billion from FY 2024 to FY 2026, driven by substantial tax collections. This has allowed significant increases in reserves to limit adverse exposure and preserve resources to honor commitments during difficult times, as well as the establishment of a reserve for payment of PTET/PIT tax credits[21] in FY 2022, which totaled $20.7 billion at the end of FY 2026. In addition, over $11 billion has been added to principal reserve balances since FY 2021, which is complemented by additional reserves for future operational needs and timing of resource management.

The following table summarizes General Fund results for the prior three fiscal years.

[21] 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 cost neutral for the State with the reserve covering the difference between the PTET collections and related PIT credits.

GENERAL FUND RECEIPTS AND DISBURSEMENTS
FY 2024 THROUGH FY 2026
(millions of dollars)

	FY 2024	FY 2025	FY 2026
OPENING FUND BALANCE	43,451	46,331	56,916
Personal Income Tax [1]	25,312	29,152	32,356
Consumption/User Taxes:			
Sales and Use Tax[2]	9,315	9,520	10,085
Cigarette and Tobacco Tax	260	245	228
Alcoholic Beverage Taxes	275	269	268
Other Taxes	22	23	23
Subtotal	9,872	10,057	10,604
Business Taxes:			
Corporation Franchise Tax	7,525	6,788	6,667
Corporation and Utilities Taxes	401	406	389
Insurance Taxes	2,521	2,697	2,624
Bank Tax	0	277	209
Pass-Through Entity Tax[1]	6,978	8,891	10,063
Subtotal	17,425	19,059	19,952
Other Taxes:			
Estate and Gift Taxes	1,856	1,301	1,753
Pari-Mutuel Tax	12	11	13
Other Taxes[1]	8	10	10
Subtotal	1,876	1,322	1,776
Miscellaneous Receipts & Federal Grants	7,128	8,818	5,148
Transfers from Other Funds:			
PIT in Excess of Revenue Bond Debt Service	21,748	28,078	29,829
PTET in Excess of Revenue Bond Debt Service	6,978	8,890	10,063
ECEP in Excess of Revenue Bond Debt Service	0	7	9
Sales Tax in Excess of Revenue Bond Debt Service	7,839	8,636	8,568
Real Estate Taxes in Excess of CW/CA Debt Service	877	969	1,147
All Other Transfers	3,942	4,273	4,313
Subtotal	41,384	50,853	53,929
TOTAL RECEIPTS	102,997	119,261	123,765
Grants to Local Governments:			
School Aid	28,844	30,225	31,800
Medicaid - DOH	20,598	24,461	26,855
All Other Local Aid	19,677	20,147	24,350
State Operations:			
Personal Service	9,997	10,784	11,791
Non-Personal Service	2,303	2,932	3,714
General State Charges	9,651	9,297	10,343
Transfers to Other Funds:			
In Support of Debt Service	239	274	266
In Support of Capital Projects	5,798	6,925	5,074
SUNY Operations	1,535	1,660	1,944
All Other Transfers	1,475	1,971	8,366
Subtotal	9,047	10,830	15,650
TOTAL DISBURSEMENTS	100,117	108,676	124,503
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	2,880	10,585	(738)
CLOSING FUND BALANCE	46,331	56,916	56,178

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 Revenue Bond Debt Service.

FY 2026

The State ended FY 2026 in balance on a cash basis in the General Fund, based on preliminary unaudited results. General fund receipts, including transfers to other funds, totaled $123.8 billion. General Fund disbursements, including transfers from other funds, totaled $124.5 billion, a decrease of $738 million from FY 2025 results. The moderately lower balance reflects a reduction in the economic uncertainties reserve used to support repayment of an outstanding Federal Unemployment Account loan, offset by an increase in the reserve for PTET/PIT credits; and additional resources available at year-end that are carried forward to offset delayed payments, as well as to reduce the budget gaps in subsequent years.

FY 2025

The State ended FY 2025 in balance on a cash basis in the General Fund. General fund receipts, including transfers from other funds, totaled $119.3 billion. General Fund disbursements, including transfers from other funds, totaled $108.7 billion. The State ended FY 2025 with a General Fund balance of $56.9 billion, an increase of $10.6 billion from FY 2024 results. The higher balance reflects a deposit to the Rainy Day Fund; an increase in the reserves for future operations and PTET/PIT credits; and additional resources available at year-end that are carried forward to offset delayed payments, operational costs, and capital projects spending, as well as to reduce the budget gaps in subsequent years.

FY 2024

The State ended FY 2024 in balance on a cash basis in the General Fund. General fund receipts, including transfers from other funds, totaled $103.0 billion. General Fund disbursements, including transfers from other funds, totaled $100.1 billion. The State ended FY 2024 with a General Fund balance of $46.3 billion, an increase of $2.9 billion from FY 2023 results. The higher balance reflects a set aside for asylum seeker assistance, an increase for the reserves for labor settlements/agency operations, and additional net resources available at year-end that were carried forward to reduce the budget gaps in subsequent years.

All Funds FY 2024 Through FY 2026

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 2024 THROUGH FY 2026
(millions of dollars)

	FY 2024	FY 2025	FY 2026
OPENING BALANCE	**65,956**	**65,913**	**73,696**
ALL FUNDS RECEIPTS:	**234,478**	**248,986**	**266,969**
Total Taxes	**106,668**	**114,031**	**124,398**
Personal Income Tax	68,016	75,502	84,455
All Other Taxes	38,652	38,529	39,943
PTET Receipts	**(221)**	**3,481**	**3,082**
PIT Credits	(14,176)	(14,300)	(17,044)
Business Taxes	13,955	17,781	20,126
Miscellaneous Receipts	**33,755**	**34,762**	**40,590**
Federal Receipts	**94,276**	**96,712**	**98,899**
ALL FUNDS DISBURSEMENTS:	**234,869**	**241,472**	**258,951**
STATE OPERATING FUNDS	**128,474**	**133,653**	**148,810**
Assistance and Grants	**89,202**	**95,858**	**105,169**
School Aid	33,384	35,290	37,114
DOH Medicaid	27,804	31,230	33,985
All Other	28,014	29,338	34,070
Agency Operations	**32,275**	**34,019**	**37,891**
State Operations	**21,579**	**23,576**	**26,056**
Executive Agencies	11,347	12,537	14,189
University Systems	7,402	7,941	8,526
Elected Officials	2,830	3,098	3,341
Fringe Benefits/Fixed Costs	**10,696**	**10,443**	**11,835**
Pension Contribution	3,734	2,586	3,140
Health Insurance	5,106	5,814	6,136
Other Fringe Benefits/Fixed Costs	1,856	2,043	2,559
Debt Service	**6,997**	**3,776**	**5,750**
CAPITAL PROJECTS (State and Federal Funds)	**14,709**	**16,976**	**17,894**
FEDERAL OPERATING AID	**91,686**	**90,843**	**92,247**
NET OTHER FINANCING SOURCES	**346**	**269**	**(6,706)**
CHANGE IN OPERATIONS	**(45)**	**7,783**	**1,312**
CLOSING BALANCE	**65,911**	**73,696**	**75,008**

FY 2026

The FY 2026 All Funds closing balance totaled $75 billion, $1.3 billion above FY 2025. The increase reflected higher receipts ($18 billion), which more than offset growth in disbursements ($17.5 billion) compared to the prior year.

Excluding PTET, All Funds tax receipts grew $10.4 billion (9.1 percent) from the prior year reflective of substantial growth in PIT receipts driven by a combination of increased withholding, estimated payments, final returns, and assessments. Miscellaneous receipts were significantly higher in FY 2026 compared to FY 2025 due to increased revenue deposits in the Healthcare Stability Fund related to MCO assessments and SUNY operating accounts, as well as higher bond proceeds received to support capital projects. Growth in Federal receipts corresponds with Federal grant spending increases.

State Operating Funds spending in FY 2026 was $15.2 billion (11.3 percent) higher than the prior year and reflects the continuation of significant annual increases for health care, School Aid, child care, mental health, housing initiatives, public safety, SUNY, CUNY, enhanced pension benefits for certain public employees, agency operations, additional staffing and wages, MTA assistance, and many other program areas.

Executive agency operations spending increased in FY 2026 across nearly all agencies reflecting salary increases, workforce growth, and increased costs, as well as retroactive salary payments for State Police, covering three prior fiscal years. Additionally, there were increased costs related to staffing shortages at correctional facilities throughout the State, resulting in assignment of National Guard members to correctional facilities and the temporary enhanced overtime rate for corrections staff.

University systems operational spending growth is predominantly due to salary increases pursuant to existing labor contracts, continued hiring, and expanded spending on campus and hospital operations. Elected Officials spending growth is primarily attributable to higher Judiciary spending.

The cost of fringe benefits increased significantly driven by pension, health, and Social Security benefits, as well as increased hiring at SUNY that drives higher employer payroll tax and other salary sensitive fringe benefits. In addition, higher fixed costs include litigation repayments related to opioid manufacturer and distributor litigation.

Higher annual Debt Service spending is attributable to additional prepayments executed in FY 2026.

Federal operating spending growth is largely due to increased Medicaid managed care, personal care and pharmacy benefit spending, and enrollment growth in the EP associated with the 1332 Waiver. These increases are partially offset by decreased spending for COVID-19 related education grants and Elementary and Secondary Education Title Act grants, as well as the timing of FEMA reimbursements for costs incurred for COVID-19 pandemic response and recovery efforts passed through to local entities.

FY 2025

The FY 2025 All Funds closing balance totaled $73.7 billion, $7.8 billion above FY 2024. The increase reflected higher receipts ($14.5 billion), which more than offset growth in disbursements ($6.6 billion) compared to the prior year.

Tax collections grew by $11.1 billion inclusive of anticipated growth in PIT receipts, coupled with a decline in current and prior year refunds and advanced credit payments; PTET participation and extensions; modest growth in sales tax collections and significant growth in adult-use cannabis receipts resulting from the continued maturation of the market; CFT gross receipts; and the resolution of two significant bank audit cases. The growth was partly offset by increased CFT refunds and a decrease in super large estate tax collections. Miscellaneous receipts increased due primarily to collections from the Mental Hygiene Services Debt Service fund, HCRA, the DFS, and Licenses & Fees.

Higher spending was mainly due to assistance and grants spending reflecting planned increases for School Aid, inclusive of increased Excess Cost Aid and BOCES Aid spending, and Medicaid. Substantial growth in Medicaid is largely attributable to the expiration of the COVID eFMAP benefit in FY 2024, higher FFS claims, and increased Managed Long Term Care claims due to enrollment growth. Other spending increases include enrollment growth and the inclusion of a new Medicaid credit under the CHP program, retroactive to April 2022, as well as spending on Day Care and Child Welfare services.

Executive agency operations spending increased from the prior year due largely to FEMA reimbursements received in FY 2024 for State costs incurred for COVID pandemic response and recovery efforts, as well as general salary increases pursuant to existing labor contracts, workforce growth, and inflationary increases for energy, medical expenses, and other commodities.

University systems' agency operations spending increased from the prior year largely due to salary increases pursuant to existing labor contracts and increased funding for campus and hospital operations. Spending growth for Elected Officials was due primarily to higher Judiciary spending.

Lower annual spending for pensions and debt service is the result of prepaying expenses prior to the fiscal year in which they come due. Excluding these prepayments, debt service would have increased by $188 million (3.1 percent) and pensions would have increased by $448 million (21 percent). Other fringe benefit spending increases are associated with rising health benefits and Social Security costs.

Federal operating spending decreased in FY 2025 in large part due to COVID related spending impacts, including: the discontinuation of the Medicaid enhanced Federal match; FEMA reimbursements for State costs incurred for COVID-19 pandemic response and recovery efforts and reimbursements of costs that were passed through to local entities; decreased spending for the Emergency Rental Assistance Program and Public Assistance benefit payments; and a decrease in COVID-19-related School Aid grants and U.S. Department of Agriculture School Lunch Act spending. These declines are partially offset by higher spending for the EP due to expansion of program eligibility associated with the 1332 waiver and increased hospital investments ($3.1 billion higher); timing of Federal CHP and Health and Human Services payments; Elementary and Secondary Education Title Act grants; Child Care subsidies, the Summer Electronic Benefits Transfer program, and the Flexible Fund for Family Services.

FY 2024

The FY 2024 All Funds closing balance totaled $65.9 billion, $45 million below FY 2023. This stable closing balance was due to a higher opening fund balance ($12.4 billion) and net growth in receipts ($1.4 billion), which supported higher disbursements ($14.4 billion). More than half of the increase in disbursements compared to FY 2023 was attributable to Federal operating aid ($9 billion).

Total tax collections in FY 2024 were $5.2 billion or 4.7 percent lower than FY 2023, mostly driven by a decrease in PIT receipts ($4.9 billion). FY 2024 PIT collections reflected lower estimated payments and final return payments, coupled with increased current and prior year refunds. Declines in PIT payments were partly offset by increased withholding and decreases in advanced credit payments attributable to the expiration of the Homeowner Tax Rebate Credit and the State/City offset. PTET collections also decreased ($989 million), due to lower estimated payments and higher refunds.

All other tax receipts increased by $716 million in FY 2024, primarily due to growth in consumption/use taxes ($1.3 billion). The growth reflected higher sales tax receipts and increased motor fuel tax receipts related to the expiration of the temporary fuel tax holiday in December 2022.

The decline in total FY 2024 tax collections was offset by increases in Federal operating aid and miscellaneous receipts. Federal receipts increased by $4.7 billion, reflecting the timing of spending and reimbursements from Federal aid. Miscellaneous receipts were also $1.9 billion higher than in FY 2023, primarily due to higher investment income ($2.4 billion).

The increase in disbursements in FY 2024 primarily reflects increased spending on assistance and grants ($7.3 billion) from State Operating Funds, as well as higher Federal operating spending ($9.0 billion) compared to FY 2023. Within the State Operating Funds category, the higher spending on assistance and grants was partially offset by a decrease in debt service payments ($3.5 billion) due to the timing of prepayments.

State Operating Funds spending totaled $128.5 billion in FY 2024, an increase of $4.7 billion (3.8 percent) compared to FY 2023. Within this category, assistance and grants spending was $7.3 billion higher than in the prior year. The largest changes within assistance and grants were as follows:

- School Aid ($3.1 billion higher) due primarily to the final year of the three-year phase-in of Foundation Aid.

- Medicaid ($2.3 billion higher) attributable primarily to continued claims growth ($3.4 billion), offset partially by increases in the Local Cap Contribution ($663 million) and increased pharmacy rebate offsets ($621 million).

- Mental Hygiene ($2 billion higher) due to a $1.9 billion increase in mental hygiene spending moved out of the Global Cap through the Local Share Adjustment and Mental Hygiene Stabilization Fund.

- Children and Family Services ($841 million lower) due primarily to non-recurring spending for Child Welfare Services ($1.2 billion) for settled and advanced claims.

In addition, spending on State operations from State Operating Funds increased by $882 million in FY 2024, reflecting underlying growth in salary costs. Within the executive agency operations category, pandemic-related FEMA reimbursements received in FY 2024 (roughly $960 million) more than offset cost growth. For fringe benefits, increased spending ($493 million) reflected the prepayment of future pension obligations in FY 2024 ($1.6 billion), partially offset by a smaller deposit to the Retiree Health Benefit Trust Fund compared to FY 2023.

Debt Service spending from State Operating Funds was $3.5 billion lower due to the net impact of debt service prepayments executed in FY 2024 and prior years ($3.9 billion).

Federal operating spending increased by $9 billion over the prior year due primarily to the following:

- EP ($3.5 billion higher) attributable to increased rates and higher program participation due to an expansion of program eligibility.

- Medicaid ($3.3 billion higher) primarily attributable to growth in claims.

- Children and Family Services ($1.2 billion higher) driven by increased spending on Child Care ($749 million) and Child Welfare Services ($399 million).

- Temporary & Disability Assistance ($1.1 billion lower) driven primarily by decreased spending on the Emergency Rental Assistance Program ($449 million), the Home Energy Assistance Program ($208 million), Child Care ($187 million), and Pandemic Emergency Assistance ($124 million).

- All Other Federal spending ($1.5 billion higher) increased due to Federal reimbursements of pandemic-related costs passed through to local entities ($1.2 billion).

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 2026 on July 24, 2026. 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, 2026 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, 2025	9,622	342	(1,569)	1,148	9,543	60,003
March 31, 2024	7,434	1,216	(1,238)	1,926	9,338	50,381
March 31, 2023	15,447	819	(1,334)	(416)	14,516	42,912

SUMMARY OF NET POSITION (millions of dollars)

Fiscal Year Ended	Governmental Activities	Business-Type Activities	Total Primary Government
March 31, 2025	70,162	(9,366)	60,796
March 31, 2024*	58,097	(12,736)	45,361
March 31, 2023	46,453	(15,565)	30,888

* The restatement in net position is due to the error correction of $35 million in the General Fund and due to the error correction and change in accounting principle of $43 million in CUNY.

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.ny.gov. 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.

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CAPITAL PROGRAM AND FINANCING PLAN OVERVIEW

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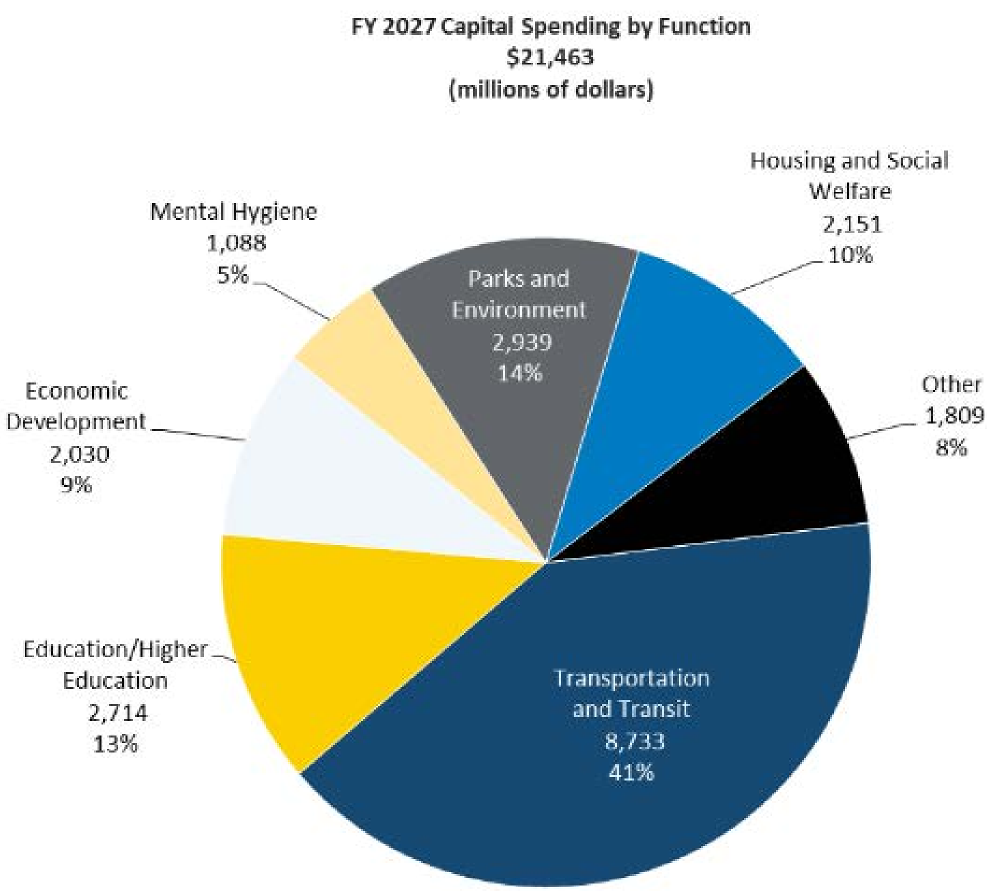
A copy of the Capital Plan can be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, (518) 474-8282, and it is also posted at www.budget.ny.gov.

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 2027.

FY 2027 Capital Projects Spending

Spending on capital projects is projected to total $21.5 billion in FY 2027. Overall, capital spending in FY 2027 is projected to increase by $3.6 billion or 19.9 percent from FY 2026.



In FY 2027, transportation and transit spending is projected to total $8.7 billion, which represents 41 percent of total capital spending. Education and higher education spending accounts for 13 percent, spending related to parks, environment, and clean energy represents 14 percent, and economic development spending accounts for 9 percent. The remaining 23 percent comprises spending for health care, mental hygiene, social welfare, public protection, general government, and all other (discussed later).

Transportation and transit spending is projected to increase by $1.6 billion (23 percent) from FY 2026 to FY 2027. The growth is partly attributable to projected increases in spending by DOT for the State road and bridge projects and local transportation programs. Additionally, State spending on the MTA is expected to total $1.0 billion in FY 2027, an increase of $583 million, which is attributable to the continued State support for the MTA's 2020-2024 Capital Plan and 2025-2029 Capital Plan.

Parks and environment spending is estimated to increase by $1.2 billion (72 percent) in FY 2027, primarily reflecting spending from the clean water drinking grants program; increased capital support for State parks, including NY SWIMS; and spending from the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act. Additionally, the Capital Plan reflects spending in FY 2027 from continuing initiatives, including: the Sustainable Future Program, NY PLAYS, and NY BRICKS.

Economic development spending is projected to increase by $391 million (24 percent) in FY 2027. The increase is primarily attributable to regional economic development programs administered by ESD, including the DRI and NY Forward, RESTORE, and the Regional Council Capital Fund. FY 2027 spending also includes continued investment in offshore wind port infrastructure and supply chains, ConnectALL broadband expansion, and upgrades at Olympic Regional Development Authority facilities.

Spending for health care is projected to increase by $575 million (63 percent) in FY 2027. The increase is due to spending from the Wadsworth Center for Laboratories and Research new construction initiative, spending from the Safety Net Transformation program, and spending related to five rounds of the Health Care Facility Transformation Program.

Spending for social welfare is projected to increase by $174 million (9 percent) in FY 2027, primarily reflecting ongoing spending from the last year of the five-year $25 billion housing plan, of which the State is providing $5.7 billion in direct capital assistance.

Education spending is projected to increase by $239 million (128 percent) in FY 2027. The increase is largely due to the implementation of programs administered by SED, including library capital grants, nonpublic school health and safety projects, schools for Native American reservations, the New York State School for the Blind, and the New York State School for the Deaf.

Higher education spending is projected to increase by $434 million (23 percent) in FY 2027, which is primarily related to maintaining SUNY and CUNY campus facilities in a state of good repair and making strategic investments in new facilities.

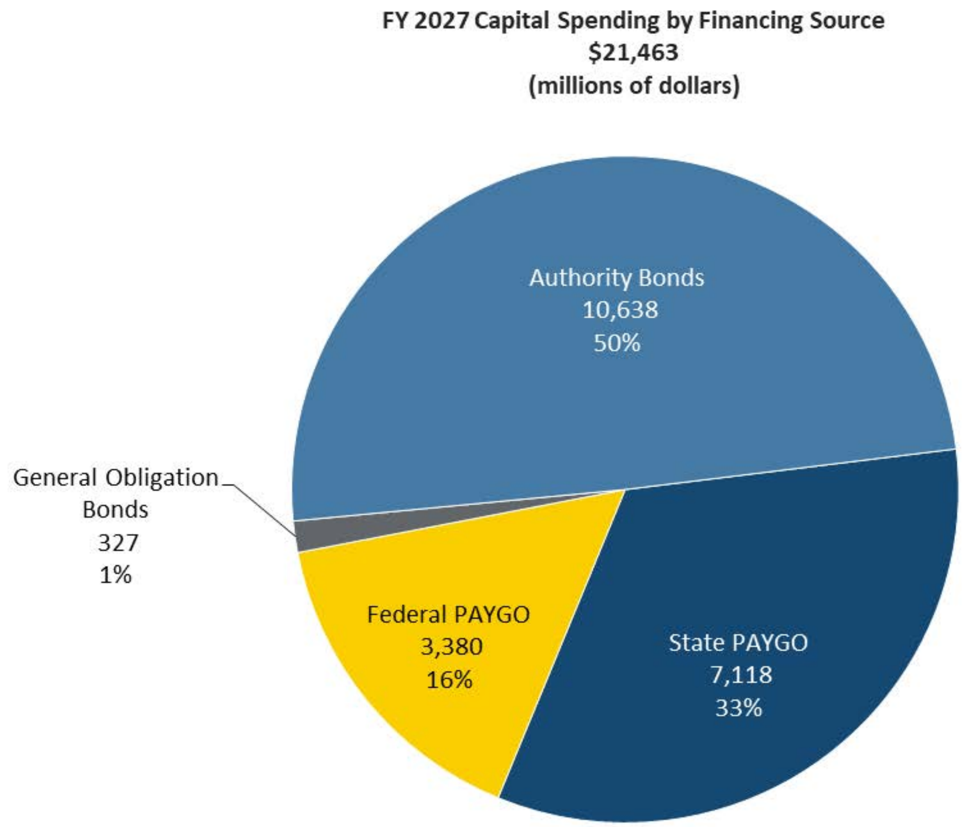
Spending for public protection is projected to increase by $22 million (3 percent) in FY 2027. Public protection capital funding supports maintaining DOCCS, DHSES, DMNA, and DSP infrastructure. In addition, FY 2027 continues spending for capital investments in communities with high gun violence and another round of the Securing Communities Against Hate Crimes grant program.

Mental hygiene capital spending is anticipated to increase by $302 million (38 percent) in FY 2027, reflecting continued investment in both inpatient and outpatient facilities.

General governmental capital spending is projected to increase by $380 million (73 percent) in FY 2027, which includes the maintenance of State facilities and State information technology projects.

Spending in the “all other” category is projected to increase by $214 million (46 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 2027 Capital Projects Spending



In FY 2027, the State plans to finance 51 percent of capital projects spending with long-term bonds and 49 percent with cash and Federal grants. Most of the long-term bonds (97 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 most 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 will finance 33 percent of capital spending. Federal aid is expected to fund 16 percent of the State's FY 2027 capital spending, primarily for transportation. Year-to-year, total PAYGO support is projected to increase from FY 2026 to FY 2027 by $1.2 billion, with State PAYGO increasing by $728 million and Federal PAYGO support increasing by $492 million. Bond-financed spending is projected to increase by $2.3 billion, with Authority Bond spending increasing by $2.2 billion and General Obligation Bond spending increasing by $117 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 aggregate amount of debt outstanding. As of March 31, 2026, State-related debt outstanding totaled $60.3 billion excluding installation and mortgage loan commitments, equal to approximately 3.4 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, and installation commitments 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 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 [1,2]
(millions of dollars)

	FY 2024	FY 2025	FY 2026
State-Supported Debt	**54,319**	**55,867**	**60,299**
Personal Income Tax Revenue Bonds	40,179	38,781	42,699
Sales Tax Revenue Bonds	11,483	14,510	15,309
General Obligation	2,128	2,269	2,049
Service Contract & Lease Purchase	258	242	242
Other Revenue Bonds	271	65	-
Other State Financings	**202**	**228**	**231**
Installation Commitments	145	146	134
Mortgage Loan Commitments	57	68	67
Gateway Development Commission	N/A	14	30
TOTAL STATE-RELATED DEBT [3]	54,521	56,095	60,530

1 Source: NYS DOB, except Mortgage Loan Commitments which are taken from the ACFR for FY 2024 and FY 2025. Mortgage Loan Commitments and Installation Commitments are estimated by DOB for FY 2026.

2 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.

3 Installation commitments and mortgage loan commitments are included in all figures and references to State-related debt in this AIS unless otherwise specifically noted.

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 2027 Enacted Budget authorizes short-term financing for liquidity purposes during FY 2027. 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, 2027. Borrowed amounts cannot be extended or refinanced beyond the initial maturity. The Financial Plan does not currently assume the use of short-term financing for liquidity purposes. DOB evaluates cash results regularly and may adjust the use of notes 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 Revenue Bonds. In addition, in 2018 legislation was enacted that increased the percentage of PIT receipts dedicated to the payment of PIT Revenue 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 Revenue Bonds.

Debt service on State PIT Revenue Bonds is subject to legislative appropriation, as part of the annual debt service bill. 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 RBTF equal the greater of 40 percent of the aggregate of annual State PIT receipts, ECEP receipts, and PTET receipts or $12 billion.

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, and the impact on State PIT receipts is expected to remain negligible.

As of March 31, 2026, approximately $42.7 billion of 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 comprise 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 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Projected RBTF Receipts	43,776	44,573	45,731	47,402	49,788	51,402
Projected New PIT Bonds Issuances	5,231	7,002	8,247	8,459	7,072	6,992
Projected Total PIT Bonds Outstanding	42,699	49,197	56,302	63,451	67,304	70,928
Projected Maximum Annual Debt Service	4,287	4,764	5,355	5,960	6,289	6,710
Projected PIT Coverage Ratio	10.2	9.4	8.5	8.0	7.9	7.7

[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 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 provides for the payment of these bonds. The Sales Tax Revenue Bonds are secured by dedicated revenues consisting of two cents of the State's four cent sales and use tax. 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 Revenue 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. As of March 31, 2026, $15.3 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 comprise 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
(millions of dollars)

	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Projected Sales Tax Receipts	10,080	10,410	10,726	11,049	11,372	11,686
Projected New Sales Tax Bonds Issuances	1,186	2,334	2,749	2,820	2,357	2,331
Projected Total Sales Tax Bonds Outstanding	15,309	17,511	19,909	22,431	23,829	25,019
Projected Maximum Annual Debt Service	1,400	1,559	1,755	1,957	2,065	2,245
Projected Sales Tax Coverage Ratio	7.2	6.7	6.1	5.6	5.5	5.2

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.

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.

General Obligation Bonds must be approved directly by the voters at a general election. Only one General Obligation offering, limited to a single work or purpose, may be voted on in a general election. General Obligation bond-financed spending accounts for approximately 2 percent of total spending over the Capital Plan. The Capital Plan assumes the continued implementation of ten previously authorized bond acts (five for transportation, four for environmental and recreational programs, and one for education), as well as spending for the $4.2 billion Clean Water, Clean Air, and Green Jobs Bond Act that was approved by voters in November 2022.

As of March 31, 2026, approximately $2.0 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 fiscal reforms.

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 and 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. As of March 31, 2026, approximately $242 million of State-supported lease-purchase and other contractual obligation financings were outstanding.

Legislation first enacted in FY 2011 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 additional lease-purchase or other contractual-obligation financings.

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, intergovernmental loans, 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 and mortgage loan commitments.

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.

Legislation authorized the Budget Director to enter into a financing agreement with GDC to make payments to GDC in an amount sufficient to allow GDC to make payments on a New York Railroad Rehabilitation and Improvement Financing (RRIF) loan, subject to annual appropriation by the State Legislature, to support the State's capital commitment to the Gateway Hudson Tunnel Project. Pursuant to the legislative authorization, the State Budget Director entered into a contractual obligation with GDC that obligates the State to seek appropriations annually in future budgets and, if appropriated, to provide to GDC an amount each year sufficient to make all payments on the RRIF loan. Such payments are funded from the State's General Fund. The legislation also includes the authorization to set aside funds quarterly in advance of payments due to GDC for the Hudson Tunnel Project.

The State's share of the Gateway Hudson Tunnel Project is currently estimated at $1.3 billion, inclusive of financing costs, based on the July 2024 financial plan for the project. As of March 31, 2026 there was $30 million outstanding under the RRIF loan.

Borrowing Plan

STATE DEBT ISSUANCES BY FINANCING PROGRAM (millions of dollars)						
	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Personal Income Tax Revenue Bonds	5,231	7,002	8,247	8,459	7,072	6,992
Sales Tax Revenue Bonds	1,186	2,334	2,749	2,820	2,357	2,331
General Obligation Bonds	0	403	347	462	345	315
Total Issuances	6,417	9,739	11,343	11,741	9,774	9,638

Debt issuances totaling $9.7 billion are planned to finance capital project spending in FY 2027, an increase of $3.3 billion (52 percent) from FY 2026. The year over year growth is largely attributable to the increase in capital spending projected in FY 2027. Bond issuances in FY 2027 will finance capital commitments for economic development and housing ($1.7 billion), education ($1.5 billion), the environment ($1.1 billion), health and mental hygiene ($947 million), State facilities and equipment ($1.0 billion), and transportation ($3.5 billion).

Over the five-year Capital Plan, new debt issuances are projected to total $52.2 billion. This reflects the application of $17.8 billion of PAYGO to supplant bond issuances. New issuances are expected for economic development and housing ($9.1 billion), education facilities ($7.9 billion), the environment ($5.8 billion), mental hygiene and health care facilities ($5.1 billion), State facilities and equipment ($5.4 billion), and transportation infrastructure ($19.0 billion).

PROJECTED DEBT OUTSTANDING BY CREDIT (millions of dollars)						
	FY 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Personal Income Tax Revenue Bonds	42,699	49,197	56,302	63,451	67,304	70,928
Sales Tax Revenue Bonds	15,309	17,511	19,909	22,431	23,829	25,019
General Obligation Bonds	2,049	2,252	2,383	2,639	2,772	2,880
Other Revenue Bonds	0	0	0	0	0	0
Service Contract	242	242	242	0	0	0
Gateway Development Commission	30	141	240	362	471	612
TOTAL STATE-RELATED	60,329	69,343	79,076	88,883	94,376	99,439

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 $3.2 billion in FY 2027, a decrease of $2.6 billion (45 percent) from FY 2026, which is affected by the prepayment of $4.5 billion in FY 2026 and an expected $1.5 billion in FY 2027 of future debt service costs and additional prepayments in previous fiscal years. 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 2026 Actuals	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected	Total
Personal Income Tax Revenue Bonds	3,914	2,561	2,170	4,104	4,818	6,202	23,769
Sales Tax Revenue Bonds	1,511	311	1,249	1,274	1,355	2,193	7,893
General Obligation Bonds	304	291	318	318	335	342	1,908
Other State-Supported Bonds [2]	21	12	12	248	0	0	293
Gateway Development Commission	0	0	0	0	0	0	0
Total Debt Service	5,750	3,175	3,749	5,944	6,508	8,737	33,863

[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.

Adjusting for prepayments, State-related debt service is projected at $6.7 billion in FY 2027, an increase of 5.0 percent from FY 2026. Over the five-year Capital Plan, adjusted debt service costs are expected to grow to $9.2 billion in FY 2031, an average annual increase of 7.6 percent from FY 2026.

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AUTHORITIES AND LOCALITIES

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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, 2025 (with respect to the Job Development Authority (JDA) as of March 31, 2025), 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 $228 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, 2025[2]
(millions of dollars)

Authority	State-Related Debt	Authority and Conduit	Total
Dormitory Authority	36,032	29,385	65,417
Port Authority of NY & NJ	0	27,068	27,068
Triborough Bridge and Tunnel Authority	0	26,752	26,752
Metropolitan Transportation Authority	0	22,035	22,035
Housing Finance Agency	384	17,975	18,359
Job Development Authority[2]	0	16,288	16,288
UDC/ESD	14,364	902	15,266
Thruway Authority	6,974	5,840	12,814
Long Island Power Authority[3]	0	8,865	8,865
Environmental Facilities Corporation	0	5,651	5,651
State of New York Mortgage Agency	0	3,375	3,375
Power Authority	0	3,247	3,247
Battery Park City Authority	0	1,666	1,666
Energy Research and Development Authority	0	1,255	1,255
Roswell Park Cancer Institute Corporation	0	225	225
Bridge Authority	0	108	108
TOTAL OUTSTANDING	57,754	170,637	228,391

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 do not reflect accretion of capital appreciation bonds or premiums received.

(2) All Job Development Authority (JDA) debt outstanding reported as of March 31, 2025. This includes $16.3 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), $488 million issued by the Brooklyn Arena Local Development Corporation, and $9.7 billion issued by the New York Transportation Development Corporation.

(3) Includes $3.22 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 NYC 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 NYC 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 NYC, 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 NYC, and its related issuers, to market securities successfully in the public credit markets. The official financial disclosure of NYC 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 NYC 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 NYC. The following table summarizes the debt of NYC 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
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
2023	40,093	53,506	0	938	2,519	13,902	110,958
2024	41,701	57,618	0	909	2,552	13,592	116,372
2025	46,721	63,013	0	879	2,521	12,908	126,042

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 NYC 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 NYC.

(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 NYC or revenues that would otherwise be available to NYC if not needed for debt service. Starting in 2022, NYC 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 NYC 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 33 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 City of Buffalo and the Counties of Erie and Nassau are subject to varying levels of review and oversight by entities created by such legislation. The Cities of Dunkirk and Newburgh operate 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 year ending in 2025, a total of 7 non-calendar fiscal year end local governments (all villages) and 31 school districts have been placed in a stress category by OSC. Additionally, of the local governments with a December 31, 2024 fiscal year end, 14 — including 4 cities, 9 towns, and 1 village — were placed in a fiscal stress category by OSC. The vast majority of local governments (98.4 percent) and school districts (95.4 percent) are not classified in a fiscal stress category.

The Monitoring System relies on data submitted to OSC by local governments in their Annual Financial Report ("AFR"). The AFR captures a local government's annual revenue, expenditures, cash reserves, fund balance and outstanding debt for the period. From 2018 to 2024, the number of counties, cities, towns, villages and fire districts that failed to file their AFRs increased from 10 to 15 percent. Additional information on local governments that have failed to file an AFR is available on the OSC website at the following address: https://web.osc.state.ny.us/localgov/afr-non-filers/.

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 end of temporary Federal stimulus funding; the pause or termination of Federal assistance programs; 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 NYC and its related issuers, and other New York State localities, from 1980 to 2024.

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]
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
2020	95,025	0	36,375	8,741	131,400	8,741
2021	94,184	0	36,881	8,157	131,065	8,157
2022	109,231	0	38,263	7,351	147,494	7,351
2023	110,958	0	37,609	7,465	148,567	7,465
2024	116,372	0	37,613	8,880	153,985	8,880
2025	126,042	0	32,825	9,171	158,867	9,171

Source: Office of the State Comptroller; The City of New York Annual Comprehensive Financial Report.

NOTE: For localities other than NYC, 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 NYC), 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 NYC 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 NYC or revenues which would otherwise be available to NYC 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 NYC), 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

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As of March 31, 2026, the State had approximately 184,733 annual salaried FTE employees within agencies subject to direct Executive control (115,694 FTEs), the University Systems (64,111 FTEs) and the Independently Elected Agencies (4,928 FTEs). These figures do not include non-annual salaried employees or employees of the Legislature and Judiciary. The State workforce is projected to total 194,960 FTEs at the end of FY 2027, following investments included in the FY 2027 Enacted Budget.

HISTORICAL SUMMARY OF EXECUTIVE BRANCH WORKFORCE
ANNUAL SALARIED FTEs
ALL FUNDS

Date	Subject to Direct Executive Control	Grand Total
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
3/31/2024	111,267	176,585
3/31/2025	112,952	180,603
3/31/2026	115,694	184,733

WORKFORCE SUMMARY ALL FUNDS FY 2025 THROUGH FY 2027	FY 2025 Actuals (03/31/25)	FY 2026 Actuals (03/31/26)	FY 2027 Estimate (03/31/27)
Major Agencies			
Children and Family Services, Office of	3,076	3,253	3,040
Corrections and Community Supervision, Department of	19,197	19,192	25,578
Education Department, State	2,756	2,835	2,934
Environmental Conservation, Department of	3,302	3,401	3,416
Financial Services, Department of	1,379	1,439	1,493
General Services, Office of	1,800	1,882	2,060
Health, Department of	5,405	5,398	6,216
Information Technology Services, Office of	3,851	4,022	4,080
Labor, Department of	3,042	3,021	2,942
Mental Health, Office of	14,458	14,749	15,902
Motor Vehicles, Department of	3,122	3,181	3,228
Parks, Recreation and Historic Preservation, Office of	2,473	2,417	2,469
People with Developmental Disabilities, Office for	18,793	19,213	19,125
State Police, Division of	5,912	6,139	6,528
Taxation and Finance, Department of	3,685	3,902	3,898
Temporary and Disability Assistance, Office of	1,931	1,942	2,053
Transportation, Department of	8,570	8,749	8,499
Workers' Compensation Board	1,023	1,032	1,112
Subtotal - Major Agencies	**103,775**	**105,767**	**114,573**
Minor Agencies	**9,177**	**9,927**	**10,489**
Subtotal - Subject to Direct Executive Control	**112,952**	**115,694**	**125,062**
University Systems			
City University of New York	13,434	13,635	13,511
State University Construction Fund	137	135	145
State University of New York	49,376	50,341	50,958
Subtotal - University Systems	**62,947**	**64,111**	**64,614**
Independently Elected Agencies			
Audit and Control, Department of	2,688	2,772	2,940
Law, Department of	2,016	2,156	2,344
Subtotal - Independently Elected Agencies	**4,704**	**4,928**	**5,284**
Grand Total	**180,603**	**184,733**	**194,960**

Source: NYS DOB, as provided with the FY 2027 Enacted Budget Report published in June 2026.

STATE RETIREMENT SYSTEM

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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.

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, 2025, is included in NYSLRS' Annual Comprehensive Financial Report ("NYSLRS' Financial Report") for the fiscal year ended March 31, 2025 and is available on the OSC website at the following address: https://www.osc.ny.gov/files/retirement/resources/pdf/annual-comprehensive-financial-report-2025.pdf.

Additionally, available at the OSC website is the System's asset listing for the fiscal year ended March 31, 2025:

https://www.osc.ny.gov/files/retirement/resources/pdf/asset-listing-2025.pdf.

The audited financial statements with the independent auditor's report for the fiscal year ended March 31, 2025 and 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 2025 are available at the OSC website at:

https://www.osc.ny.gov/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.ny.gov/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. DFS concluded its examination of the New York State and Local Employees' and the New York State and Local Police and Fire Retirement Systems for the April 1, 2016 to March 31, 2021 time period and published its report in March 2026. 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, an independent fiduciary review of the System for the three-year period ended March 31, 2024 was performed and published in January 2026, which noted the Fund operates at the highest ethical and professional standards.

The System

The System provides pension benefits to public employees of the State and its localities (except employees of NYC, 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, 2025. There were 2,995 public employers participating in the System, including the State, all cities and counties (except NYC), most towns, villages and school districts (with respect to non-teaching employees), and many public authorities.

As of March 31, 2025, 735,943 persons were members of the System, and 528,789 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, 2025, approximately 30 percent of ERS members were in Tiers 3 and 4 and approximately 34 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 66 percent of ERS members and 60 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. 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. Legislation enacted on April 20, 2024 changed the calculation and limitation of "final average salary" for Tier 6 members from the average of an employee's five consecutive highest years' salary to the average of an employee's three consecutive highest years' salary. 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.ny.gov/retire/employers/tier-6/ers_comparison.php
PFRS Chart: http://www.osc.ny.gov/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 85 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.[22] 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. Legislation enacted in May 2026 will change Tier 6 contribution rates beginning October 1, 2026: members making $75,000 or less will contribute 3% of pensionable earnings; members earning between $75,001 and $100,000 will contribute 4%; members earning between $100,001 and $125,000 will contribute 5.25%; and members earning between $125,001 and $250,000 will contribute 5.75%. This new law also increased the maximum amount of overtime that can be included in pension calculations for NYSLRS members effective January 1, 2027.

Legislation enacted in April 2024 temporarily removed overtimes earned from April 1, 2022 through March 31, 2024 from the calculation of contribution rates that Tier 6 members pay during FY 2024-25 and FY 2025-26. This law was extended for two more years in May 2026.

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.[23]

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.

[22] Less than 0.5 percent of the 22,196 PFRS Tier 6 members are non-contributory.

[23] The assumed investment rate of return is an influential factor in calculating employer contribution rates. 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 5.9 percent rate of return has been used to determine employer contribution rates in FY 2023, FY 2024, FY 2025, FY 2026, and FY 2027.

The 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 2027 were released on September 4, 2025. The average ERS rate will increase by 1.1 percent from 16.5 percent of salary in FY 2026 to 17.6 percent of salary in FY 2027, while the average PFRS rate will increase by 2.8 percent from 33.7 percent of salary in FY 2026 to 36.5 percent of salary in FY 2027. Information regarding average rates for FY 2027 may be found in the 2025 Annual Report to the Comptroller on Actuarial Assumptions which is accessible at:
https://www.osc.ny.gov/files/retirement/resources/pdf/actuarial-assumptions-2025.pdf.

Legislation adopted with the FY 2011 Enacted Budget (Chapter 57, Laws of 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, 2025, 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)
2016	14.5	22.5	3.21	$ 1.0
2017	15.1	23.5	2.33	0.2
2018	14.9	24.3	2.84	0.1
2019	14.4	23.5	3.64	—
2020	14.2	23.5	2.55	—
2021	14.1	24.4	1.33	—
2022	15.1	25.4	1.76	0.7
2023	14.1	26.4	3.61	—
2024	13.1	27.4	4.85	—
2025	14.1	28.1	5.02	1.4
				$ 3.4

Legislation adopted with the FY 2014 Enacted Budget (Chapter 57, Laws of 2013) 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, 2025, 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	$ 2.5
2015	12.0	20.0	3.50	4.2
2016	12.5	20.5	3.31	7.4
2017	13.0	21.0	2.63	7.3
2018	13.5	21.5	3.31	8.3
2019	14.0	22.0	3.99	5.5
2020	14.2	22.5	2.87	4.5
2021	14.1	23.0	1.60	5.3
2022	14.6	23.5	2.24	15.4
2023	14.1	24.0	3.70	11.0
2024	13.6	24.5	5.10	12.7
2025	14.1	25.0	5.43	27.7
				$ 111.8

Chapter 55 of the Laws of 2023 amended the Contribution Stabilization Programs (the 2010 Program and the 2013 Alternate Contribution Stabilization Program, together the "Programs") to provide employers more flexible use of reserve funds while preserving the intent of the Programs to smooth out pension contributions when rates increase. The Programs also limit the size of the reserve fund assets that employers are required to maintain and allow NYSLRS participating employers to withdraw from the Programs, subject to approval by the Comptroller, provided all prior year amortizations are paid in full, including interest.

The total State payment (including Judiciary) due to NYSLRS for FY 2026 was approximately $2.690 billion. The State opted not to amortize under the Contribution Stabilization Program and paid the March 1, 2026 invoice in full.

The estimated total State payment (including Judiciary, but excluding costs attributable to enacted legislation) for FY 2027 is approximately $3.028 billion. Several prepayments (including interest credit) have reduced the estimated total to approximately $455 million, and costs attributable to enacted legislation will be finalized after December 31, 2026.

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, 2025 was $273.1 billion (including $2.7 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 $5.7 billion or 2.1 percent from the FY 2024 level of $267.4 billion. The increase in net position restricted for pension benefits from FY 2024 to FY 2025 is primarily the result of the net appreciation of the fair value of the investment portfolio.[24] The System's audited Financial Statement reports a time-weighted investment rate of return of positive 5.8 percent (gross rate of return before the deduction of certain fees) for FY 2025.

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. The Fund maintained its long-term policy allocation, adopted as of April 1, 2024, and completed an asset liability analysis in the fiscal year ended March 31, 2025. The current long-term policy allocation seeks a mix that includes 39 percent public equities (25 percent domestic and 14 percent international); 23 percent fixed income and cash; and 38 percent alternative investments (15 percent private equity, 12 percent real estate, 4 percent credit, 3 percent opportunistic/absolute return or hedge funds, and 4 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. [25]

The System reports that the present value of anticipated benefits for current members, retirees, and beneficiaries increased to $359.9 billion (including $184.4 billion for retirees and beneficiaries) as of April 1, 2025, up from $345.9 billion as of April 1, 2024. 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, 2025. 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, 2025 in that the determination of actuarial assets utilized a smoothing method, with an eight-year smoothing period, that recognized 12.5 percent of the unexpected gain for FY 2025, 25 percent of the unexpected gain for FY 2024, 37.5 percent of the unexpected loss

[24] On May 20, 2026, the State Comptroller announced that the Fund's estimated investment return was 11.94% for the State fiscal year ending March 31, 2026, with an estimated value of $295.4 billion. The value of the invested assets fluctuates throughout the year based on market conditions and is reported on annually in the Annual Comprehensive Financial Report.

[25] More detail on the CRF's asset allocation as of March 31, 2025 and long-term policy allocation can be found on page 114 of the NYSLRS' Annual Comprehensive Financial Report for the fiscal year ending March 31, 2025.

for FY 2023 and 50 percent of the unexpected gain for FY 2022. Actuarial assets increased from $272.4 billion on April 1, 2024 to $276.9 billion on April 1, 2025.

The ratio of fiduciary net position to the total pension liability for ERS, as of March 31, 2025, calculated by the System's Actuary, was 93.08 percent. The ratio of the fiduciary net position to the total pension liability for PFRS, as of March 31, 2025, calculated by the System's Actuary, was 87.53 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.ny.gov/retirement/resources/financial-statements-and-supplementary-information.

The tables that follow show net assets, benefits paid and the actuarially determined contributions that have been made over the last ten years through March 31, 2025. 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]
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
2023	4,404	2,847	1,557	657	15,596
2024	5,055	3,242	1,813	789	16,200
2025	6,206	3,960	2,246	964	16,890

Sources: State and Local Retirement System.

(1) Contributions recorded include the full amount of unpaid amortized contributions.

(2) The actuarially determined contribution (ADC) includes 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
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%
2023	249,508	-8.8%
2024	267,368	7.2%
2025	273,096	2.1%

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, 2025 includes approximately $2.7 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 2025 NYSLRS' Financial Report is available on the OSC website at the following web address:

https://www.osc.ny.gov/files/retirement/resources/pdf/annual-comprehensive-financial-report-2025.pdf.

1) Information on the number of members and retirees, including the change in the number of members and retirees and beneficiaries since 2015 can be found on page 32 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 pages 48-49 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 78-81 at the link noted above.

4) Information on contributions can be found on pages 163-171 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 2015 can be found on page 172 of the NYSLRS' Financial Report at the link noted above.

Information related to the salaries of members can be found on pages 205-209 of the NYSLRS' Financial Report at the link noted above.

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LITIGATION

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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 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 2027 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 the 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. 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 2027 or thereafter. The Basic Financial Statements for FY 2025, which OSC issued on July 28, 2025, 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 Financial Plan during FY 2027. 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 2027. 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.

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

Canadian St. Regis Band of Mohawk Indians, et al. v. State of New York, et al. , 82 CV 783 (NDNY) (consolidated with 82 CV 1114, and 89 CV 829), is 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 2,000 acres over the area known as the Hogansburg Triangle 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. In March 2022, the Court concluded that plaintiffs had established a *prima facie* case under the Non-Intercourse Act. The parties executed a final settlement agreement, which is currently awaiting Congressional approval. At this time, it is unknown what future financial impact this claim may have on the State's Financial Plan.

Two federal cases challenge the State's operation of the New York State Thruway over land claimed as reservation land. In *Seneca Nation of Indians v. Hochul, et al.* 18 CV 0429 (WDNY), the Seneca Nation seeks to renegotiate the Right-of-Way Agreement that allows the Thruway to cross the Nation's Cattaraugus Reservation. It raises the same issues as *Seneca Nation of Indians v. State of New York*, which the Second Circuit decided in favor of the State in 2004. In the current proceeding, a Magistrate Judge issued a Report and Recommendation (R&R) in September 2025, recommending that the plaintiffs' Motion for Summary Judgment be granted, that the defendants' Motion be denied, and that the defendants be ordered to negotiate a new easement with the Seneca Nation. The State objected to the R&R and the matter awaits decision by the Court. In *Cayuga Nation v. Hochul, et al.*, 23 CV 1283 (WDNY), the Cayuga Nation seeks to enjoin New York State officers and the Thruway Authority from alleged continuing violations of federal law resulting from operation of the Thruway over land that the Cayuga Nation claims is reservation land. The State has moved to dismiss the action, and the motion is pending before the Court. At this time, it is unknown what future financial impact these claims may have on the State's Financial Plan.

School Aid

In *Maisto v. State of New York* (formerly identified as *Hussein v. State of New York*), 8997-08 (Sup. Ct. Albany Cty.), plaintiffs seek a judgment declaring that the State's system of financing public education violates section 1 of article 11 of the State Constitution, on the ground that it fails to provide a sound basic education. In 2021, after trial and appeals, the Appellate Division, Third Department, held that plaintiffs demonstrated a violation of Article 11, § 1 in each of the subject school districts with respect 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 Supreme Court subsequently determined that the State's remedy was reasonable and terminated the case. Plaintiffs appealed. The case is fully briefed and awaiting argument, which is scheduled for September 2026. At this time, it is unknown what future financial impact this claim may have on the State's Financial Plan.

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 asserted that the low rates prevent children and indigent adults from receiving their constitutional right to effective and meaningful legal representation and they sought declaratory and injunctive relief preventing the continued violation and setting new rates. In July 2022, the Court granted the plaintiffs' requested preliminary injunction and ordered payment of an increased rate by the State and the City of New York of $158 per hour, retroactive to February 2, 2022. The preliminary injunction was silent on the funding structure for payment of the increased rates. Accordingly, the structure remained as established by statute, with the State 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. In May 2023, Governor Hochul 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, with changes retroactive to April 1, 2023. *See* Part GG of Chapter 56 of the Laws of 2023, FY 2024 Budget, Article VII, Education, Labor and Family Assistance. While plaintiffs received much of the relief requested, the matter remains open and plaintiffs have advised that they may seek further intervention. At this time, it is unknown what future financial impact this claim may have on the State's Financial Plan.

New York State Bar Association v. State of New York, 16091/2022 (Sup. Ct. N.Y. Cty.), 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. In January 2023, Plaintiffs moved for a preliminary injunction seeking a rate increase to $164 per hour, consistent with the current federal rate. In May 2023, Governor Hochul 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, with changes retroactive to April 1, 2023. *See* Part GG of Chapter 56 of the Laws of 2023, FY 2024 Budget, Article VII, Education, Labor and Family Assistance. Plaintiffs subsequently withdrew the preliminary injunction motion without prejudice. While plaintiffs received much of the relief requested, the matter remains open and plaintiffs have advised that they may seek further intervention. At this time, it is unknown what future financial impact this claim may have on the State's Financial Plan.

Adult Survivors Act Claims

Under New York's Adult Survivors Act (ASA), survivors of sexual assault that occurred when they were 18 or older were given one year to sue their abusers, regardless of when the abuse occurred. The one-year "lookback" window ran from November 24, 2022, through November 23, 2023. While the window was open, more than 1600 claims were filed against the State. Allegations include abuse from at least as early as the 1980's and seek damages, in some cases, of up to $25 million. The State is evaluating the individual claims, engaging in discovery, and settling claims where appropriate. At this time, it is unknown what future financial impact the remaining claims may have on the State's Financial Plan.

Medicaid Services to Minors

In *C.K., et al. v. McDonald, et al.,* 22 CV 1791 (EDNY), plaintiffs are four Medicaid-eligible children who suffer from various mental health issues and who claim that they are not provided legally required services. Plaintiffs assert violations of (1) the Medicaid Act's "Reasonable Promptness" and "Early Periodic Screening, Diagnostic and Treatment" provisions; (2) the Americans with Disabilities Act's integration mandate and prohibition on discrimination based on disability; and (3) the Rehabilitation Act's similar requirements. Plaintiffs sought and the Court granted certification of two statewide classes. The Court stayed litigation deadlines while the parties negotiated settlement. On January 15, 2026, the Court granted final approval of the parties' settlement agreement, dismissed plaintiffs' claims, and So Ordered (1) the injunctive relief as described in the settlement agreement and (2) payment of $5.3 million for plaintiffs' attorneys' fees with a $200,000 cap set on future annual monitoring fees. At this time, it is unknown what future financial impact the implementation of the ordered injunctive relief may have on the State's Financial Plan.

Residential Placements for Developmentally Disabled Young Adults

Disability Rights N.Y. v. State of New York, et al., 17 CV 6965 (E.D.N.Y), is a putative class action alleging that young adults who were placed in residential schools by committees on special education and completed their education are remaining in residential schools rather than receiving disability-related services they are eligible for in more integrated community settings. Discovery is complete and plaintiffs' motion for class certification is pending. At this time, it is unknown what future financial impact this claim may have on the State's Financial Plan.

State Funding of Adult Care Facilities

In *Bidlack v. Cuomo, et al.*, 5669-18 (Sup. Ct. Albany Cty.), plaintiffs are disabled adult beneficiaries of the State Supplemental Program (SSP) residing in Adult Care Facilities (ACF), ACF owners and operators, and statewide associations representing ACF operators. They assert claims based on the State's failure, since 2007, to raise SSP rates, which must be raised through legislation. As a result of this failure, ACF owners and operators claim they are forced to offer fewer services to residents and may be forced to close. ACF residents claim they are denied their right to placement in the least restrictive setting when an ACF operator is forced to close and the residents are moved to nursing homes. Plaintiffs also allege that the State pays higher SSP rates to state-run ACFs, where residents do not also receive Supplemental Security Income. The case is currently in discovery. At this time, it is unknown what future financial impact this claim may have on the State's Financial Plan.

Post-Release Supervision Parole Terms

Plaintiffs in *Betances, et al. v. Fischer, et al.*, 11 CV 3200 (SDNY), and *Bentley, et al. v. Dennison, et al.*, 11 CV 1056 (SDNY), are parolees alleging that their due process rights were violated by legislatively mandated post-release supervision parole terms that were not imposed by a judge at sentencing. The parole terms were administratively added by the Department of Corrections & Community Supervision (DOCCS) instead of being referred for resentencing. *Betances* is a class action and *Bentley* is brought by 21 plaintiffs who opted out of the *Betances* class action. A trial on the issue of compensatory damages for loss of liberty during time spent on post-release supervision, is scheduled in *Betances* for July 14, 2026. *Bentley* is stayed pending the outcome of *Betances*. In a third case, *Santiago v. Cuomo, et al.*, 12 CV 2137 (EDNY), a plaintiff who opted out of the *Betances* action was awarded $100,000 in compensatory damages and $750,000 in punitive damages after jury trial in 2022. Plaintiff and defendants both appealed aspects of the *Santiago* judgment and court orders, and the Second Circuit vacated the judgment and award and remanded the case for further proceedings. The parties are considering settlement while plaintiff seeks a new attorney. At this time, it is unknown what future financial impact these claims may have on the State's Financial Plan.

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FINANCIAL PLAN TABLES

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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 2026 and projected receipts and disbursements for fiscal years 2027 through 2030 on a General Fund, State Operating Funds and All Governmental Funds basis.[26]

General Fund – Total Budget

Financial Plan, Annual Change from FY 2026 to FY 2027
Financial Plan Projections FY 2027 through FY 2030

State Operating Funds Budget

FY 2027
FY 2028
FY 2029
FY 2030

All Governmental Funds – Receipts Detail

Financial Plan Projections FY 2027 – FY 2030

All Governmental Funds – Total Budget

FY 2027
FY 2028
FY 2029
FY 2030

Cashflow – FY 2027 Monthly Projections

General Fund

[26] 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 2026 Actuals	FY 2027 Projected	Annual $ Change	Annual % Change
Opening Fund Balance	**56,916**	**56,178**	**(738)**	**-1.3%**
Receipts:				
Taxes:				
Personal Income Tax	32,356	33,274	918	2.8%
Consumption/Use Taxes	10,604	10,935	331	3.1%
Business Taxes	19,952	20,384	432	2.2%
Other Taxes	1,776	1,505	(271)	-15.3%
Miscellaneous Receipts	5,147	4,186	(961)	-18.7%
Federal Receipts	1	0	(1)	-100.0%
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	29,829	32,028	2,199	7.4%
PTET in Excess of Revenue Bond Debt Service	10,063	9,995	(68)	-0.7%
ECEP in Excess of Revenue Bond Debt Service	9	10	1	11.1%
Sales Tax in Excess of Revenue Bond Debt Service	8,568	10,098	1,530	17.9%
Real Estate Taxes in Excess of CW/CA Debt Service	1,147	1,206	59	5.1%
All Other	4,313	3,551	(762)	-17.7%
Total Receipts	**123,765**	**127,172**	**3,407**	**2.8%**
Disbursements:				
Assistance and Grants	83,005	90,803	7,798	9.4%
State Operations:				
Personal Service	11,791	12,763	972	8.2%
Non-Personal Service	3,714	4,187	473	12.7%
General State Charges	10,343	11,424	1,081	10.5%
Transfers to Other Funds:				
Debt Service	266	294	28	10.5%
Capital Projects	5,074	4,855	(219)	-4.3%
SUNY Operations	1,944	1,831	(113)	-5.8%
Other Purposes	8,366	2,635	(5,731)	-68.5%
Total Disbursements	**124,503**	**128,792**	**4,289**	**3.4%**
Excess (Deficiency) of Receipts Over Disbursements	**(738)**	**(1,620)**	**(882)**	**-119.5%**
Closing Fund Balance	**56,178**	**54,558**	**(1,620)**	**-2.9%**
Statutory Reserves				
Community Projects	25	25	0	
Contingency Reserve	21	21	0	
Rainy Day Reserve	8,138	9,138	1,000	
Tax Stabilization Reserve	1,618	1,618	0	
Reserved For				
Debt Management	1,000	1,000	0	
Economic Uncertainties	5,347	4,347	(1,000)	
Extraordinary Monetary Settlements	692	125	(567)	
Future Operational Needs	2,499	2,499	0	
Timing of PTET/PIT Credits	20,700	20,956	256	
Timing of Resource Management	16,138	14,829	(1,309)	

Source: NYS DOB.

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Receipts:				
Taxes:				
Personal Income Tax	33,274	34,478	35,996	38,126
Consumption/Use Taxes	10,935	11,219	11,540	11,858
Business Taxes	20,384	20,002	20,577	21,221
Other Taxes	1,505	1,552	1,614	1,685
Miscellaneous Receipts	4,186	2,792	2,673	2,632
Federal Receipts	0	0	0	0
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	32,028	33,547	33,059	34,427
PTET in Excess of Revenue Bond Debt Service	9,995	10,020	10,240	10,540
ECEP in Excess of Revenue Bond Debt Service	10	11	11	12
Sales Tax in Excess of Revenue Bond Debt Service	10,098	9,477	9,775	10,016
Real Estate Taxes in Excess of CW/CA Debt Service	1,206	1,321	1,403	1,487
All Other	3,551	1,406	868	1,383
Total Receipts	**127,172**	**125,825**	**127,756**	**133,387**
Disbursements:				
Assistance and Grants	90,803	95,683	100,894	109,033
State Operations:				
Personal Service	12,763	13,665	13,463	13,369
Non-Personal Service	4,187	4,262	4,263	4,399
General State Charges	11,424	12,369	13,433	14,566
Transfers to Other Funds:				
Debt Service	294	325	563	332
Capital Projects	4,855	4,865	4,772	5,743
SUNY Operations	1,831	1,982	1,976	1,975
Other Purposes	2,635	2,131	2,171	2,132
Total Disbursements	**128,792**	**135,282**	**141,535**	**151,549**
Use (Reservation) of Fund Balance:				
Contingency Reserve	0	0	0	0
Debt Management	0	0	0	0
Economic Uncertainties	1,000	862	0	0
Extraordinary Monetary Settlements	567	125	0	0
Future Operational Needs	0	0	0	0
Rainy Day Reserve	(1,000)	(862)	0	0
Tax Stabilization Reserve	0	0	0	0
Timing of PTET/PIT Credits	(256)	(57)	(435)	(690)
Timing of Resource Management	1,309	3,000	3,688	4,111
Total Use (Reservation) of Fund Balance	**1,620**	**3,068**	**3,253**	**3,421**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**(6,389)**	**(10,526)**	**(14,741)**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2027 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**56,178**	**12,732**	**104**	**69,014**
Receipts:				
Taxes	66,098	6,560	56,221	128,879
Miscellaneous Receipts	4,186	24,144	450	28,780
Federal Receipts	0	(9)	35	26
Total Receipts	**70,284**	**30,695**	**56,706**	**157,685**
Disbursements:				
Assistance and Grants	90,803	25,796	0	116,599
State Operations:				
Personal Service	12,763	7,089	0	19,852
Non-Personal Service	4,187	4,429	39	8,655
General State Charges	11,424	1,422	0	12,846
Debt Service	0	0	3,175	3,175
Capital Projects	0	0	0	0
Total Disbursements	**119,177**	**38,736**	**3,214**	**161,127**
Other Financing Sources (Uses):				
Transfers from Other Funds	56,888	4,457	2,280	63,625
Transfers to Other Funds	(9,615)	564	(55,757)	(64,808)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**47,273**	**5,021**	**(53,477)**	**(1,183)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(1,620)**	**(3,020)**	**15**	**(4,625)**
Closing Fund Balance	**54,558**	**9,712**	**119**	**64,389**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2028 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	67,251	6,632	57,806	131,689
Miscellaneous Receipts	2,792	20,331	466	23,589
Federal Receipts	0	(8)	32	24
Total Receipts	**70,043**	**26,955**	**58,304**	**155,302**
Disbursements:				
Assistance and Grants	95,683	22,296	0	117,979
State Operations:				
Personal Service	13,665	7,172	0	20,837
Non-Personal Service	4,262	4,461	39	8,762
General State Charges	12,369	1,464	0	13,833
Debt Service	0	0	3,749	3,749
Capital Projects	0	0	0	0
Total Disbursements	**125,979**	**35,393**	**3,788**	**165,160**
Other Financing Sources (Uses):				
Transfers from Other Funds	55,782	4,122	2,343	62,247
Transfers to Other Funds	(9,303)	2,032	(56,844)	(64,115)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**46,479**	**6,154**	**(54,501)**	**(1,868)**
Use (Reservation) of Fund Balance:				
Economic Uncertainties	862	0	0	862
Extraordinary Monetary Settlements	125	0	0	125
Rainy Day Reserve	(862)	0	0	(862)
Timing of PTET/PIT Credits	(57)	0	0	(57)
Timing of Resource Management	3,000	0	0	3,000
Total Use (Reservation) of Fund Balance	**3,068**	**0**	**0**	**3,068**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(6,389)**	**(2,284)**	**15**	**(8,658)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2029
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	69,727	6,715	59,881	136,323
Miscellaneous Receipts	2,673	21,035	464	24,172
Federal Receipts	0	(7)	28	21
Total Receipts	**72,400**	**27,743**	**60,373**	**160,516**
Disbursements:				
Assistance and Grants	100,894	21,884	0	122,778
State Operations:				
Personal Service	13,463	7,394	0	20,857
Non-Personal Service	4,263	4,622	39	8,924
General State Charges	13,433	1,505	0	14,938
Debt Service	0	0	5,944	5,944
Capital Projects	0	0	0	0
Total Disbursements	**132,053**	**35,405**	**5,983**	**173,441**
Other Financing Sources (Uses):				
Transfers from Other Funds	55,356	4,155	2,474	61,985
Transfers to Other Funds	(9,482)	2,566	(56,849)	(63,765)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**45,874**	**6,721**	**(54,375)**	**(1,780)**
Use (Reservation) of Fund Balance:				
Timing of PTET/PIT Credits	(435)	0	0	(435)
Timing of Resource Management	3,688	0	0	3,688
Total Use (Reservation) of Fund Balance	**3,253**	**0**	**0**	**3,253**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(10,526)**	**(941)**	**15**	**(11,452)**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2030 (millions of dollars)				
	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	72,890	6,771	62,674	142,335
Miscellaneous Receipts	2,632	21,119	464	24,215
Federal Receipts	0	(6)	24	18
Total Receipts	**75,522**	**27,884**	**63,162**	**166,568**
Disbursements:				
Assistance and Grants	109,033	21,624	0	130,657
State Operations:				
Personal Service	13,369	7,627	0	20,996
Non-Personal Service	4,399	4,798	39	9,236
General State Charges	14,566	1,547	0	16,113
Debt Service	0	0	6,508	6,508
Capital Projects	0	0	0	0
Total Disbursements	**141,367**	**35,596**	**6,547**	**183,510**
Other Financing Sources (Uses):				
Transfers from Other Funds	57,865	4,115	2,237	64,217
Transfers to Other Funds	(10,182)	2,562	(58,838)	(66,458)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**47,683**	**6,677**	**(56,601)**	**(2,241)**
Use (Reservation) of Fund Balance:				
Timing of PTET/PIT Credits	(690)	0	0	(690)
Timing of Resource Management	4,111	0	0	4,111
Total Use (Reservation) of Fund Balance	**3,421**	**0**	**0**	**3,421**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(14,741)**	**(1,035)**	**14**	**(15,762)**

Source: NYS DOB.

CASH RECEIPTS ALL GOVERNMENTAL FUNDS FY 2027 THROUGH FY 2030 (millions of dollars)	FY 2027	FY 2028	FY 2029	FY 2030
Taxes:				
Withholdings	67,395	70,300	73,187	76,508
Estimated Payments	15,096	15,157	15,876	17,336
Final Payments	4,857	4,952	5,202	5,454
Other Payments	2,172	2,258	2,314	2,384
Gross Collections	**89,520**	**92,667**	**96,579**	**101,682**
State/City Offset	(1,739)	(1,961)	(2,211)	(2,509)
Refunds	(18,644)	(19,307)	(20,066)	(20,701)
Reported Tax Collections	**69,137**	**71,399**	**74,302**	**78,472**
STAR (Dedicated Deposits)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Personal Income Tax	**69,137**	**71,399**	**74,302**	**78,472**
Sales and Use Tax	22,266	22,943	23,634	24,325
Cigarette and Tobacco Taxes	719	711	684	656
Vapor Excise Tax	19	19	19	19
Motor Fuel Tax	490	485	478	472
Alcoholic Beverage Taxes	267	266	265	264
Opioid Excise Tax	20	20	20	20
Medical Cannabis Excise Tax	3	3	1	0
Adult Use Cannabis Tax	284	349	368	379
Highway Use Tax	136	138	139	139
Auto Rental Tax	149	153	157	163
Peer to Peer Car Sharing Tax	2	1	1	1
Gross Consumption/Use Taxes	**24,355**	**25,088**	**25,766**	**26,438**
LGAC/STBF (Dedicated Transfers)	0	0	0	0
Consumption/Use Taxes	**24,355**	**25,088**	**25,766**	**26,438**
Corporation Franchise Tax	9,241	8,724	9,061	9,336
Corporation and Utilities Tax	562	563	567	570
Insurance Taxes	3,026	3,156	3,292	3,433
Bank Tax	23	0	0	0
Pass Through Entity Tax	19,990	20,040	20,480	21,080
Petroleum Business Tax	978	1,010	998	982
Gross Business Taxes	**33,820**	**33,493**	**34,398**	**35,401**
RBTF (Dedicated Transfers)	0	0	0	0
Business Taxes	**33,820**	**33,493**	**34,398**	**35,401**
Estate Tax	1,483	1,528	1,590	1,660
Real Estate Transfer Tax	1,495	1,607	1,687	1,771
Employer Compensation Expense Program	19	22	22	24
Gift Tax	0	0	0	0
Real Property Gains Tax	0	0	0	0
Pari-Mutuel Taxes	12	12	12	12
Other Taxes	1	1	1	1
Gross Other Taxes	**3,010**	**3,170**	**3,312**	**3,468**
Real Estate Transfer Tax (Dedicated)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Other Taxes	**3,010**	**3,170**	**3,312**	**3,468**
Payroll Tax	**0**	**0**	**0**	**0**
Total Taxes	**130,322**	**133,150**	**137,778**	**143,779**
Licenses, Fees, Etc.	932	681	680	681
Abandoned Property	550	550	550	550
Motor Vehicle Fees	1,268	1,282	1,263	1,223
ABC License Fee	60	60	60	60
Reimbursements	483	316	316	316
Investment Income	1,623	650	550	550
Extraordinary Settlements	0	0	0	0
Other Transactions	36,544	34,324	34,542	32,041
Miscellaneous Receipts	**41,460**	**37,863**	**37,961**	**35,421**
Federal Receipts	**98,027**	**93,027**	**94,246**	**90,470**
Total	**269,809**	**264,040**	**269,985**	**269,670**

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
Opening Fund Balance	**56,178**	**21,209**	**(2,483)**	**104**	**75,008**
Receipts:					
Taxes	66,098	6,560	1,443	56,221	130,322
Miscellaneous Receipts	4,186	24,716	12,108	450	41,460
Federal Receipts	0	94,764	3,228	35	98,027
Total Receipts	**70,284**	**126,040**	**16,779**	**56,706**	**269,809**
Disbursements:					
Assistance and Grants	90,803	116,970	9,437	0	217,210
State Operations:					
Personal Service	12,763	7,823	0	0	20,586
Non-Personal Service	4,187	6,546	0	39	10,772
General State Charges	11,424	1,830	0	0	13,254
Debt Service	0	0	0	3,175	3,175
Capital Projects	0	0	12,023	0	12,023
Total Disbursements	**119,177**	**133,169**	**21,460**	**3,214**	**277,020**
Other Financing Sources (Uses):					
Transfers from Other Funds	56,888	4,457	5,351	2,280	68,976
Transfers to Other Funds	(9,615)	(3,123)	(649)	(55,757)	(69,144)
Bond and Note Proceeds	0	0	292	0	292
Net Other Financing Sources (Uses)	**47,273**	**1,334**	**4,994**	**(53,477)**	**124**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**(1,620)**	**(5,795)**	**313**	**15**	**(7,087)**
Closing Fund Balance	**54,558**	**15,414**	**(2,170)**	**119**	**67,921**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2028 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	67,251	6,632	1,461	57,806	133,150
Miscellaneous Receipts	2,792	20,786	13,819	466	37,863
Federal Receipts	0	89,440	3,555	32	93,027
Total Receipts	**70,043**	**116,858**	**18,835**	**58,304**	**264,040**
Disbursements:					
Assistance and Grants	95,683	110,573	9,533	0	215,789
State Operations:					
Personal Service	13,665	7,907	0	0	21,572
Non-Personal Service	4,262	6,498	0	39	10,799
General State Charges	12,369	1,874	0	0	14,243
Debt Service	0	0	0	3,749	3,749
Capital Projects	0	0	14,104	0	14,104
Total Disbursements	**125,979**	**126,852**	**23,637**	**3,788**	**280,256**
Other Financing Sources (Uses):					
Transfers from Other Funds	55,782	4,122	5,318	2,343	67,565
Transfers to Other Funds	(9,303)	(737)	(848)	(56,844)	(67,732)
Bond and Note Proceeds	0	0	312	0	312
Net Other Financing Sources (Uses)	**46,479**	**3,385**	**4,782**	**(54,501)**	**145**
Use (Reservation) of Fund Balance:					
Economic Uncertainties	862	0	0	0	862
Extraordinary Monetary Settlements	125	0	0	0	125
Rainy Day Reserve	(862)	0	0	0	(862)
Timing of PTET/PIT Credits	(57)	0	0	0	(57)
Timing of Resource Management	3,000	0	0	0	3,000
Total Use (Reservation) of Fund Balance	**3,068**	**0**	**0**	**0**	**3,068**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(6,389)**	**(6,609)**	**(20)**	**15**	**(13,003)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2029 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	69,727	6,715	1,455	59,881	137,778
Miscellaneous Receipts	2,673	21,297	13,527	464	37,961
Federal Receipts	0	90,628	3,590	28	94,246
Total Receipts	**72,400**	**118,640**	**18,572**	**60,373**	**269,985**
Disbursements:					
Assistance and Grants	100,894	109,942	9,132	0	219,968
State Operations:					
Personal Service	13,463	8,130	0	0	21,593
Non-Personal Service	4,263	6,507	0	39	10,809
General State Charges	13,433	1,915	0	0	15,348
Debt Service	0	0	0	5,944	5,944
Capital Projects	0	0	14,047	0	14,047
Total Disbursements	**132,053**	**126,494**	**23,179**	**5,983**	**287,709**
Other Financing Sources (Uses):					
Transfers from Other Funds	55,356	4,155	5,214	2,474	67,199
Transfers to Other Funds	(9,482)	(79)	(954)	(56,849)	(67,364)
Bond and Note Proceeds	0	0	426	0	426
Net Other Financing Sources (Uses)	**45,874**	**4,076**	**4,686**	**(54,375)**	**261**
Use (Reservation) of Fund Balance:					
Timing of PTET/PIT Credits	(435)	0	0	0	(435)
Timing of Resource Management	3,688	0	0	0	3,688
Total Use (Reservation) of Fund Balance	**3,253**	**0**	**0**	**0**	**3,253**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(10,526)**	**(3,778)**	**79**	**15**	**(14,210)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2030 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	72,890	6,771	1,444	62,674	143,779
Miscellaneous Receipts	2,632	21,302	11,023	464	35,421
Federal Receipts	0	86,845	3,601	24	90,470
Total Receipts	**75,522**	**114,918**	**16,068**	**63,162**	**269,670**
Disbursements:					
Assistance and Grants	109,033	103,093	7,647	0	219,773
State Operations:					
Personal Service	13,369	8,364	0	0	21,733
Non-Personal Service	4,399	6,570	0	39	11,008
General State Charges	14,566	1,957	0	0	16,523
Debt Service	0	0	0	6,508	6,508
Capital Projects	0	0	13,439	0	13,439
Total Disbursements	**141,367**	**119,984**	**21,086**	**6,547**	**288,984**
Other Financing Sources (Uses):					
Transfers from Other Funds	57,865	4,115	6,189	2,237	70,406
Transfers to Other Funds	(10,182)	(77)	(1,475)	(58,838)	(70,572)
Bond and Note Proceeds	0	0	424	0	424
Net Other Financing Sources (Uses)	**47,683**	**4,038**	**5,138**	**(56,601)**	**258**
Use (Reservation) of Fund Balance:					
Timing of PTET/PIT Credits	(690)	0	0	0	(690)
Timing of Resource Management	4,111	0	0	0	4,111
Total Use (Reservation) of Fund Balance	**3,421**	**0**	**0**	**0**	**3,421**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(14,741)**	**(1,028)**	**120**	**14**	**(15,635)**

Source: NYS DOB.

CASHFLOW
GENERAL FUND
FY 2027
(millions of dollars)

	2026 April Actuals	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	2027 January Projected	February Projected	March Projected	Total
OPENING BALANCE	56,178	59,895	53,769	59,161	54,823	52,634	54,215	48,609	43,889	50,549	54,837	50,245	56,178
RECEIPTS:													
Personal Income Tax	5,227	2,020	2,869	2,268	2,187	2,361	889	1,665	3,562	3,500	3,218	3,508	33,274
Consumption/Use Taxes	853	848	1,013	871	874	1,044	903	880	1,023	932	755	939	10,935
Business Taxes	912	370	3,578	133	25	3,330	(112)	(40)	5,103	418	(126)	6,793	20,384
Other Taxes	167	122	121	122	122	122	121	122	128	121	121	116	1,505
Total Taxes	7,159	3,360	7,581	3,394	3,208	6,857	1,801	2,627	9,816	4,971	3,968	11,356	66,098
Abandoned Property	1	0	(1)	0	10	100	30	130	0	30	10	240	550
ABC License Fee	5	5	4	4	5	4	7	4	4	6	5	7	60
Investment Income	187	177	181	126	126	125	126	126	126	125	71	127	1,623
Licenses, Fees, etc.	92	13	80	75	85	95	80	70	75	85	85	97	932
Motor Vehicle Fees	187	38	(162)	41	30	22	23	17	28	21	19	62	326
Reimbursements	12	(2)	127	(27)	77	63	31	33	56	31	29	53	483
Extraordinary Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Transactions	6	1	13	13	11	46	13	12	32	12	12	41	212
Total Miscellaneous Receipts	490	232	242	232	344	455	310	392	321	310	231	627	4,186
Federal Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
PIT in Excess of Revenue Bond Debt Service	5,254	2,013	2,869	2,176	1,790	2,361	889	1,659	3,562	4,672	1,255	3,528	32,028
PTET in Excess of Revenue Bond Debt Service	24	117	1,810	70	24	1,530	(446)	(21)	3,125	128	25	3,609	9,995
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0	0	0	0	7	0	0	3	10
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	706	713	939	788	800	993	831	838	980	876	725	909	10,098
Real Estate Taxes in Excess of CW/CA Debt Service	116	77	93	100	122	106	102	97	94	102	78	119	1,206
All Other	258	159	242	166	157	394	145	151	307	198	148	1,226	3,551
Total Transfers from Other Funds	6,358	3,079	5,953	3,300	2,893	5,384	1,521	2,724	8,075	5,976	2,231	9,394	56,888
TOTAL RECEIPTS	14,007	6,671	13,776	6,926	6,445	12,696	3,632	5,743	18,212	11,257	6,430	21,377	127,172
DISBURSEMENTS:													
School Aid	2,348	5,558	1,549	229	844	2,374	1,163	2,416	3,274	1,217	1,272	11,731	33,975
Higher Education	97	27	226	903	59	187	520	34	137	101	563	832	3,686
All Other Education	83	284	281	981	360	84	153	277	217	153	312	299	3,484
Medicaid - DOH	4,475	3,794	1,476	3,302	3,002	2,713	2,876	3,088	1,455	962	1,401	(353)	28,191
Public Health	65	101	75	86	81	84	81	66	84	(7)	80	260	1,056
Mental Hygiene	47	66	1,408	274	135	1,557	249	185	1,601	307	951	1,133	7,913
Children and Families	79	58	440	440	623	460	532	467	445	365	555	798	5,262
Temporary & Disability Assistance	123	119	350	323	327	339	150	159	176	156	158	252	2,632
Transportation	0	54	26	2	78	7	1	60	27	1	40	7	303
Unrestricted Aid	1	11	561	660	152	120	8	1	187	1	1	66	1,769
All Other	97	123	61	(96)	153	152	51	153	168	251	345	1,074	2,532
Total Assistance and Grants	7,415	10,195	6,453	7,104	5,814	8,077	5,784	6,906	7,771	3,507	5,678	16,099	90,803
Personal Service	1,213	909	913	1,143	943	990	1,083	949	1,152	973	955	1,540	12,763
Non-Personal Service	214	184	328	338	342	375	356	323	350	368	400	609	4,187
Total State Operations	1,427	1,093	1,241	1,481	1,285	1,365	1,439	1,272	1,502	1,341	1,355	2,149	16,950
General State Charges	783	700	1,146	701	625	571	681	678	721	679	2,924	1,215	11,424
Debt Service	7	0	0	48	(1)	(2)	6	0	0	251	(12)	(3)	294
Capital Projects	441	400	(1,151)	1,328	763	1,043	1,146	1,126	1,448	1,042	1,018	(3,749)	4,855
SUNY Operations	90	334	448	344	67	18	14	311	6	8	36	155	1,831
Other Purposes	127	75	247	258	81	43	168	170	104	141	23	1,198	2,635
Total Transfers to Other Funds	665	809	(456)	1,978	910	1,102	1,334	1,607	1,558	1,442	1,065	(2,399)	9,615
TOTAL DISBURSEMENTS	10,290	12,797	8,384	11,264	8,634	11,115	9,238	10,463	11,552	6,969	11,022	17,064	128,792
Excess/(Deficiency) of Receipts over Disbursements	3,717	(6,126)	5,392	(4,338)	(2,189)	1,581	(5,606)	(4,720)	6,660	4,288	(4,592)	4,313	(1,620)
CLOSING BALANCE	59,895	53,769	59,161	54,823	52,634	54,215	48,609	43,889	50,549	54,837	50,245	54,558	54,558

Source: NYS DOB.

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EXHIBIT A TO AIS – SELECTED STATE GOVERNMENT SUMMARY

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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, 2026. 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), OGS and customer agencies serviced by the OGS Business Services Center ($85,000, except the threshold is $150,000 for commodities and services contracts), OGS centralized contracts ($125,000) and purchases from an OGS centralized contract ($200,000). In addition, the Comptroller has the discretion to identify and review certain public authority contracts valued at $1 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 on March 31, 2026 was $7.766 billion, an increase of $1.827 billion from the outstanding loan balance of $5.939 billion at March 31, 2025.

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

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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 2027 BOND CAPS AND DEBT OUTSTANDING (millions of dollars) [(1)]				
Type of Cap (Gross or Net) [(2)]	Program	FY 2027 Bond Caps	Authorized But Unissued [(3)]	Debt Outstanding [(4)] As of 3/31/26
Education:				
Net	SUNY Educational Facilities	21,898	5,970	8,621
Net	SUNY Upstate Community Colleges [(5)]	1,624	485	637
Net	CUNY Educational Facilities	13,001	3,845	4,455
Net	School District Capital Outlay Grants	140	40	0
Net	Transportation Transition Grants	80	12	0
Net	Higher Education Capital Matching Grants	465	217	90
Net	EXCEL	2,600	15	576
Net	Library Facilities	499	251	70
Net	Cultural Education Storage Facilities	79	69	0
Net	State Longitudinal Data System	20	10	0
Net	SUNY 2020 Challenge Grants	660	445	123
Net	Private Special Education	486	437	39
Environment:				
Net	Environmental Infrastructure Projects	17,750	12,562	3,477
Net	Hazardous Waste Remediation	3,450	1,855	726
Net	Riverbank State Park	78	18	0
Net	Water Pollution Control (SRF)	1,404	517	0
State Facilities:				
Net	Empire State Plaza	133	13	0
Net	Division of State Police Facilities	616	409	117
Net	Division of Military & Naval Affairs	442	259	151
Net	State Office Buildings and Other Facilities	2,521	1,443	722
Net	Judiciary Improvements	38	1	1
Net	OSC State Buildings	52	0	9
Net	OGS State Buildings and Other Facilities	165	51	0
Net	Equipment Acquisition (COPs)	784	106	0
Net	Food Laboratory	41	1	11
Net	OFT Facilities	21	18	0
Net	Courthouse Improvements	76	0	18
Net	Prison Facilities	11,537	2,506	3,364
Net	Homeland Security	728	436	105
Net	Youth Facilities	1,271	686	184
Net	Information Technology	2,004	1,287	214
Net	Nonprofit Infrastructure Capital Investment Program	170	55	79
Net	Statewide Equipment	793	762	13
Health/Mental Hygiene:				
Net	Department of Health Facilities (inc. Axelrod)	495	3	0
Net	Mental Health Facilities	14,299	4,931	3,097
Net	HEAL NY Capital Program	750	95	62
Net	Capital Restructuring Program	7,178	5,024	1,813
Transportation:				
Net	Consolidated Highway Improvement Program (CHIPS)	16,800	4,713	3,935
Net	Dedicated Highway & Bridge Trust	22,309	5,308	3,259
Net	High Speed Rail	22	14	3
Net	Transportation Initiatives	18,562	10,624	6,603
Net	MTA Transportation Facilities	15,516	6,864	7,207
N/A	MTA Service Contract	2,005	0	344
Net	Transportation (TIFIA)	750	750	0

EXHIBIT B – STATE-RELATED BOND AUTHORIZATIONS

STATE-RELATED DEBT
FY 2027 BOND CAPS AND DEBT OUTSTANDING
(millions of dollars) (1)

Type of Cap (Gross or Net) (2)	Program	FY 2027 Bond Caps	Authorized But Unissued (3)	Debt Outstanding (4) As of 3/31/26
Economic Development:				
Net	Housing Capital Programs	18,085	12,489	2,043
Net	Community Enhancement Facilities (CEFAP)	424	36	7
Net	University Technology Centers (incl. HEAT)	248	13	0
Net	Bio-Tech Facilities	10	10	0
Net	Strategic Investment Program	216	10	5
Net	Regional Economic Development (Fund 002)	1,190	32	18
Net	NYS Economic Development (2004)	346	0	0
Net	Regional Economic Development (2004)	243	188	13
Net	High Technology and Development	249	38	25
Net	Regional Economic Development/SPUR	90	9	6
Net	Buffalo Inner Harbor	50	0	2
Net	Economic Development 2006 (Various)	2,310	244	439
Net	Javits Convention Center	1,350	350	787
Net	NYS Ec Dev Stadium Parking ('06)	75	69	1
Net	State Modernization Projects (RIOC Tram, etc.)	50	15	0
Net	2008 and 2009 Economic Development Initiatives	1,269	37	136
Net	H.H. Richardson Complex/Darwin Martin House	84	0	16
Net	Economic Development Initiatives	26,498	19,942	3,104
Net	State and Municipal Facilities	3,184	1,696	921
Net	Empire Station Complex	1,300	1,300	0
GO:				
Gross	General Obligation	23,635	5,590	2,049
Other State-Supported:				
N/A	STARC (6)	N/A	N/A	572
N/A	NYPA (7)	N/A	N/A	29
Total State-Supported Debt		**265,219**	**115,180**	**60,299**
Other State Financings:				
Installation Commitments and Mortgage Loan Commitments (8)				201
Gateway Development Commission				30
Total State-Related Debt (9)				**60,530**

Totals may not add due to rounding.
Source: NYS DOB

(1) Includes only authorized programs that are active or have outstanding program balances for the fiscal year ending March 31, 2025. Excludes programs that have repaid all oustanding debt and have program balances of $2 million or less.

(2) Gross caps include cost of issuance fees. Net caps do not. Legislation included as part of the FY 2026 Enacted Budget converted all Gross bond caps (GO excluded) to Net caps for new issuances beginning April 1, 2025.

(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 applies to bonds issued after March 31, 2002, prior to that date there was no limit.

(6) Legislation included as part of the FY 2022 Enacted Budget authorized the refunding of all outstanding NYC STARC debt in FY 2022.

(7) Legislation included as part of the FY 2023 Enacted Budget and amended in the FY 2024 Enacted Budget authorized the refunding of NYPA capital leases with State agencies.

(8) Estimated.

(9) Installation commitments and mortgage loan commitments are included in all figures and references to State-related debt in this AIS unless otherwise specifically noted.

STATE GENERAL OBLIGATION DEBT [1]
as of March 31, 2026
(In Millions)

Purpose / Year Authorized	Total Authorized	Authorized but Unissued [2]	Total Debt Outstanding [3]
Transportation Bonds:			
Rebuild and Renew New York Transportation Bonds (2005)			
Highway Facilities/Other Transportation (Excluding MTA)			
Highway Facilities	Note 4	Note 4	$ 298
Mass Transit - DOT	Note 4	Note 4	5
Rail & Port	Note 4	Note 4	58
Canals & Waterways	Note 4	Note 4	1
Aviation	Note 4	Note 4	31
Subtotal Highway Facilities/Other Transportation (Excluding MTA)	$ 1,450	$ 41	393
Mass Transit - Metropolitan Transportation Authority	1,450	114	768
Accelerated Capacity and Transportation Improvements of the Nineties (1988)	3,000	20	3
Rebuild New York Through Transportation Infrastructure Renewal (1983)			
Highway Related Projects [5]	1,064	21	-
Ports, Canals, and Waterways [5]	49	-	-
Rapid Transit, Rail and Aviation Projects [5]	137	-	-
Energy Conservation Through Improved Transportation (1979)			
Local Streets and Highways	100	-	-
Rapid Transit and Rail Freight	400	-	Note 6
Total Transportation Bonds	**7,650**	**196**	**1,164**
Environmental Bonds:			
Clean Water/Clean Air (1996)			
Air Quality	230	27	1
Safe Drinking Water	355	-	-
Clean Water	790	43	163
Solid Waste	175	-	3
Environmental Restoration	200	20	21
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	3
Climate Change Mitigation	Note 7	Note 7	Note 8
Water Quality Improvement and Resilient Infrastructure	Note 7	Note 7	Note 9
NY Natural Resources	Note 7	Note 7	-
Subtotal Clean Water, Clean Air and Green Jobs Environmental Bonds	4,200	4,195	3
Environmental Quality (1986)			
Land and Forests	250	1	1
Solid Waste Management	1,200	26	25
Environmental Quality (1972)			
Air	150	12	1
Land and Wetlands	350	3	1
Water	650	1	4
Outdoor Recreation Development (1966)	200	Note 10	-
Pure Waters (1965)	1,000	15	14
Park and Recreation Land Acquisition (1960 and 1962)	100	1	-
Total Environmental Bonds	**9,850**	**4,344**	**237**
Education Bonds:			
Smart Schools (2014)	2,000	1,009	648
Total Education	**2,000**	**1,009**	**648**
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	**$ 20,635**	**$ 5,559**	**$ 2,049**

Source: Office of the State Comptroller

(1) This table reflects General Obligation (GO) Bond Acts where there is a remaining authorized but unissued amount and/or a remaining debt outstanding balance.
(2) With the issuance of the Series 2023ABCD bonds, certain eligible GO capital expenditures were reimbursed with approximately $226 million in pay-as-you-go (PAYGO) funds, in lieu of the issuance of taxable GO bonds. This includes $7.4 million of Rebuild and Renew New York Transportation Bonds (2005) - Highway Facilities/Other Transportation (Excluding MTA) purposes, $213.6 million of Smart Schools (2014) purposes, $4.6 million of Clean Water/Clean Air (1996) - Clean Water purposes and $400 thousand of Clean Water/Clean Air (1996) - Solid Waste purposes.
(3) Reflects unaudited amounts.
(4) 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.
(5) Authorizations have been adjusted to reflect reallocations made by Chapter 54 of the Laws of 1990.
(6) This amount rounds to zero, but there was a debt outstanding balance of $248,019 at March 31, 2026.
(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 a debt outstanding balance of $349,156 at March 31, 2026.
(9) This amount rounds to zero, but there was a debt outstanding balance of $390,901 at March 31, 2026.
(10) This amount rounds to zero, but there was an authorized but unissued balance of $230,000 at March 31, 2026.

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EXHIBIT C TO AIS – PRINCIPAL STATE TAXES AND FEES

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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 2026. 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 2032 tax year. Beginning in tax year 2033, 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 2029, 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 2024 established one-time supplemental Empire State Child Credit payments and extended the itemized deduction limitation on taxpayers with incomes above $10 million for an additional five years.

Legislation enacted in 2025 established a one-time Inflation Refund Credit; enhanced the Empire State Child Credit for three years; reduced lower- and middle-income tax rates; extended the top three tax rates for five years; established a tax credit for organ donation; modified the reporting of federal partnership adjustments; eliminated NYC personal income tax for certain filers; extended the clean heating fuel credit for three years; extended the alternative fuels and electric vehicle recharging property credit for three years; extended the farm workforce retention credit for three years; modified the farm employer overtime credit; simplified the real property tax credit; and enhanced the geothermal energy credit.

Legislation enacted in 2026 enhanced and reformed the Child and Dependent Care Credit; eliminated income taxes on certain tipped wages; retained deductibility of certain charitable contributions; standardized the definition of farmer for various tax credits; eliminated double taxation of income from IRC section 962 elections; extended investment tax credit refundability for farmers for five years; and established the one-time Protecting Our Wallets Energy Rebate (POWER) initiative.

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; 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 2024 extended the existing sales tax exemption for certain vending machine purchases for an additional year; extended certain sales tax exemptions related to the Dodd-Frank Protection Act for one year; extended the authorization to manage delinquent sales tax vendors to improve compliance for five years; provided for the filing of amended sales tax returns; created a sales tax exemption for residential energy storage systems; imposed sales tax on short-term rentals statewide; and expanded the existing sales exemption for farmers to include cannabis in the tax definition of crops, livestock, and livestock products.

Legislation enacted in 2025 extended the existing sales tax exemption for certain vending machine purchases for an additional year; closed the sales tax liability relief loophole for limited partners and minority members of limited liability companies; made a technical correction to the provisions clarifying that amended sales tax returns are subject to similar limitations as other tax filings; and redirected a considerable portion (85 percent) of the annual Metropolitan Commuter Transportation District (MCTD) sales tax revenues deposited into the Metropolitan Mass Transportation Operating Assistance account (MMTOA) into the Dedicated Mass Transportation Trust Fund (DMTTF) accounts on behalf of the MTA, effective April 1, 2026.

Legislation enacted in 2026 extended the existing sales tax exemption for certain vending machine purchases for three years; clarified which college/university meal plan donations are exempt from sales and use taxation while still preserving the existing tax exempt status of college/university meal plan purchases; modified the vendor registration program; extended the residential energy storage exemption for two years; and extended the alternative fuels sales tax exemption for five years.

The State imposes a *tax on cigarettes* at the rate of $5.35 per package of 20 cigarettes and imposes a *tax on other tobacco products* equal to 75 percent of the wholesale price, except for snuff which is taxed at $2 per ounce if the container has at least one ounce, and little cigars which are taxed at $0.2675 per cigar. The tax on cigarettes was raised from $4.35 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 2024 codified existing practice for little cigars to be taxed at a prorated amount.

Legislation enacted in 2026 defined alternative nicotine products and included them within the existing 75 percent wholesale tax on other tobacco products.

The State imposes a *vapor products excise tax* at a rate of 20 percent of the retail price. All vapor products excise tax receipts are deposited in the Tobacco Control and Insurance Initiatives Pool established by the Health Care Reform Act of 2000.

Legislation enacted in 2020 prohibited the sale or distribution of e-cigarettes or vapor products that have a characterizing flavor and raised the legal purchasing age to 21 years of age.

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 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 cider. 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 cider is $0.0379 per gallon. The tax rate on liquor above 24 percent alcohol content is $1.70 per liter, and the tax rate on liquor more than 2 but not more than 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 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 of the State 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.

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 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.

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 a *medical cannabis tax* on registered organizations that dispense medical cannabis. Legislation enacted in 2024 reduced the excise tax from 7 percent to 3.15 percent, where the tax receipts will now be evenly split between manufacturing and distributing counties. The medical cannabis excise tax is currently scheduled to expire on July 5, 2028.

The State imposes both a *wholesale excise tax* and a *retail excise tax* on adult-use cannabis. The wholesale excise tax is paid on the sale of a product from a distributor to a retailer at a rate of 9 percent. 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. Legislation enacted in 2024 repealed the THC potency excise tax, which was in effect until June 1, 2024, that was previously levied on the type of product sold from a distributor to a retailer; and expanded the tax definition of crops, livestock, and livestock products to include cannabis.

Business taxes include a general business corporation franchise tax as well as specialized franchise taxes on insurance companies, certain transportation and transmission companies, a 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 2024 included the establishment of two new tax credits: the newspaper and broadcast media jobs program, which includes two tax credit components to incentivize the hiring and retaining of jobs in these media sectors, and the commercial security tax credit to support business owners in addressing retail theft by offsetting some of the costs of retail theft prevention measures.

Legislation enacted in 2025 included the extension of the workers with disabilities credit, the Hire a Vet credit, the upstate musical and theatrical production credit, and certain Brownfield program credits. Several other programs were extended and enhanced, including the doubling of low-income housing credits, the NYC musical and theatrical production credit, the credit for employment of persons with disabilities, the Excelsior Jobs Program, and the Empire State film production credit, which removed the tiered payout structure for new applicants, provided a $100 million incentive for independent studio productions, and created an enhanced benefit for recipients with previous applications. Other changes include amendments to the State historic properties credit and digital gaming media production credit program, restrictions on institutional real estate investors, and an increase in the Article 9-A estimated payment threshold from $1,000 to $5,000.

Legislation enacted in 2026 included the decoupling from certain Federal tax law changes in H.R.1 and the extension of the temporary tax rates originally enacted in tax year 2022 through tax year 2029. Also enacted were the extensions of the commercial security tax credit and certain Brownfield program credits in addition to the enhancement of the NYC musical and theatrical production credit.

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, such as 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 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. Legislation enacted in 2025 extended this three-year gift addback rule until January 1, 2032. 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 capital lockbox.

The State levies *pari-mutuel taxes* on pari-mutuel wagering activity conducted at New York State horse racetracks, Off-Track Betting (OTB) facilities or through a racetrack or OTB facility's app or online platform at varying rates. Effective September 1, 2025, a flat rate of 0.7 percent of handle is imposed on thoroughbred racetracks, harness racetracks, and OTBs. Additionally, a market origin fee equal to 5.45 percent of handle is imposed on wagers made by a New York State resident using an Out-of-State (OOS) Advanced Deposit Wagering (ADW) platform. 12.8 percent of the market origin fee is designated as pari-mutuel tax collections for the State (0.7 percent of OOS ADW handle). Legislation originally enacted in the 1990s, and continually extended on an annual basis as of 2026, provides for certain simulcasting provisions.

Legislation enacted in 2024 extended Pari-Mutuel Tax (PMT) rates and simulcast provisions for an additional year, respectively.

Legislation enacted in 2025 simplified the existing PMT rate structure and equalized the PMT rate imposed between In-State and OOS horseracing entities accepting wagers at 0.7 percent of handle. This included raising the market origin fee from 5 percent to 5.45 percent, with the percentage designated as pari-mutuel tax collections for the State increased from 5 percent to 12.8 percent. Additionally, it eliminated breakage (rounding of bettors' payouts from winning wagers) for pari-mutuel wagers placed on NYS races, except for providing NYS racetracks the option to round in-person (placed at a racetrack) wagers on NYS races to the nearest nickel, however, the breakage generated is directed to the respective thoroughbred and harness racehorse aftercare funds.

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. For all other authorized combative sports, taxes of 3 percent of the admissions charge and 3 percent on broadcasting rights and digital streaming are imposed, with the broadcasting and streaming portion limited to $50,000 in tax due per event.

Legislation enacted in 2024 reduced the gross receipts tax rate for all other authorized combative sports admissions charges from 8.5 percent to 3 percent, effective December 1, 2024.

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, Tribal State Compact, and the additional OOS ADW 1 percent fee.

Legislation enacted in 2025 increased the statutorily fixed mobile sports wagering contribution for problem gambling purposes from $6 million to $12 million, beginning with FY 2027; extended the lowered tax rate on slot machine gross gaming revenues for each commercial casino from March 31, 2026, through June 30, 2031, provided certain conditions are met; authorized an increased vendor fee for Batavia Downs for five years, with limited permitted uses of funds; and authorized the imposition of an additional 1 percent fee on handle from simulcast wagers made by a New York State resident using an OOS ADW platform.

Legislation enacted in 2026 provided temporary additional vendor fees for various VLT facilities and directs the Gaming Commission to conduct a study regarding VLT vendor fees and commercial gaming tax rates; and established an on-track TCO2 drug testing program for standardbred horse racing.

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

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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 means receipts are recorded at the time money or checks are deposited in the State Treasury and disbursements are recorded 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 the 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 the 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 purpose 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 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 certain tax receipts; 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 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 they are deposited 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 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: This broad category 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 financing, and contractual-obligation debt, including PIT Revenue Bonds and Sales Tax Revenue Bonds.

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

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ACA	Affordable Care Act
AG	Attorney General
AI	Artificial Intelligence
AMTAP	Additional Mass Transportation Assistance Program
APCD	All-Payer Claims Database
ARP	American Rescue Plan Act of 2021
ATB	Across-the-Board
AY	Academic Year (July 1 through June 30) – SUNY/CUNY
BANs	Bond Anticipation Notes
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BOCES	Boards of Cooperative Educational Services
C82 SSPU	Council 82 Security Supervisors Unit
CAC	Climate Action Council
CBO	Congressional Budget Office
CBDTP	Central Business District Tolling Program
CCDF	Child Care Development Funds
CDPAP	Consumer Directed Personal Assistance Program
CES	Current Employment Statistics
CFT	Corporate Franchise Tax
CHP	Child Health Plus
CISO	Chief Information Security Office
CLCPA	Climate Leadership and Community Protection Act of 2019
CMS	Centers for Medicare & Medicaid Services
CO	Correctional Officer
COLA	Cost-of-Living Adjustment
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CPI-W	CPI for Urban Wage Earners and Clerical Workers
CRF	Common Retirement Fund
CSEA	Civil Service Employees Association
CUNY	City University of New York
CUT	Corporation and Utilities Tax
CW/CA	Clean Water/Clean Air
CY	Calendar Year
DANY	New York County District Attorney
DASNY	Dormitory Authority of the State of New York
DCJS	Division of Criminal Justice Services
DCS	Department of Civil Service
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
DOL	Department of Labor
DOS	Department of State
DOT	Department of Transportation
DRI	Downtown Revitalization Initiative
DS	Debt Service

DTF	Department of Taxation and Finance
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
ESD	Empire State Development
ESSHI	Empire State Supportive Housing Initiative
FAS	Final Average Salary
FEMA	Federal Emergency Management Agency
FFS	Fee-for-Services
FFY	Federal Fiscal Year (October 1 Through September 30)
FHWA	Federal Highway Administration
FOMC	Federal Open Market Committee
FPL	Federal Poverty Level
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
GDC	Gateway Development Commission
GDP	Gross Domestic Product
GLIP	Group Life Insurance Plan
GPHW	General Public Health Work
GSCs	General State Charges
GSEU	Graduate Student Employees Union
GSI	General Salary Increases
HCRA	Health Care Reform Act
HCTF	Health Care Transformation Fund
HEAP	Home Energy Assistance Program
HESC	Higher Education Services Corporation
HMO	Health Maintenance Organization
H.R. 1	House of Representatives Bill 1
HSF	Healthcare Stability Fund
HUT	Highway Use Tax
ICR	Institutional Cost Reports
IDEA	Individuals with Disabilities Education Act
IDR	Independent Dispute Resolution
ILS	Indigent Legal Services
IPO	Initial Public Offering
IRMAA	Income-Related Monthly Adjustment Amount
IRS	Internal Revenue Service
IT	Information Technology
ITS	Information Technology Services
JSOC	Joint Security Operations Center
LDSS	Local Departments of Social Services
LFY	Local Fiscal Year
LGAC	Local Government Assistance Corporation
M/C	Management Confidential
MCO	Managed Care Organization
MCTD	Metropolitan Commuter Transportation District
MCTMT	Metropolitan Commuter Transportation Mobility Tax
MHSF	Mental Hygiene Stabilization Fund
MIF	Medical Indemnity Fund
MLTC	Managed Long-Term Care

MSA	Master Settlement Agreement
MTA	Metropolitan Transportation Authority
NPS	Non-Personal Service
NYC	City of New York
NYPA	New York Power Authority
NYS	New York State
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
OASAS	Office of Addiction Services and Supports
OCFS	Office of Children and Family Services
OGS	Office of General Services
OMH	Office of Mental Health
OMIG	Office of the Medicaid Inspector General
OPEB	Other Post-Employment Benefits
OPWDD	Office for People with Developmental Disabilities
ORP	Optional Retirement Program
OSA	Other State Agency
OSC	Office of the State Comptroller
OTDA	Office of Temporary and Disability Assistance
OVS	Office of Victim Services
PAYGO	Pay-As-You-Go
PBANYS	Police Benevolent Association of New York State
PBT	Petroleum Business Tax
PEF	Public Employees Federation
PFRS	Police and Fire Retirement System
PIGI	Personal Income Growth Index
PIIE	Peterson Institute for International Economics
PILOT	Payments in Lieu of Taxes
PIT	Personal Income Tax
PMT	Pari-Mutuel Tax
PS	Personal Service
PTET	Pass-Through Entity Tax
QCEW	Quarterly Census of Employment and Wages
RBTF	Revenue Bond Tax Fund
REDC	Regional Economic Development Councils
RGGI	Regional Greenhouse Gas Initiative
RHBTF	Retiree Health Benefit Trust Fund
RRIF	Railroad Rehabilitation and Improvement Financing
RSSL	Retirement and Social Security Law
RWNYC	Resorts World New York City
SALT	State and Local Tax
SED	State Education Department
SFY	State Fiscal Year (April 1 Through March 31)
SHIN-NY	Statewide Health Information Network for New York
SLFRF	State and Local Fiscal Recovery Fund
SNAP	Supplemental Nutrition Assistance Program
SOFA	State Office for the Aging
SSI	Supplemental Security Income
STAR	School Tax Relief
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
TBTA	Triborough Bridge and Tunnel Authority
TCJA	Tax Cuts and Jobs Act of 2017
tMHFA	Teen Mental Health First Aid Program
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UI	Unemployment Insurance
U.S.	United States
US DOJ	U.S. Department of Justice
US DOT	U.S. Department of Transportation
UUP	United University Professions
VDC	Voluntary Defined Contribution
VLT	Video Lottery Terminal
VPPP	Value Pricing Pilot Program
WIC	Women, Infants, and Children
WIN	Wellness in Nutrition

PART III

STATE OF NEW YORK

BASIC FINANCIAL STATEMENTS AND OTHER SUPPLEMENTARY INFORMATION FOR FISCAL YEAR ENDED MARCH 31, 2026

PREPARED BY THE
OFFICE OF THE STATE COMPTROLLER
STATE OF NEW YORK

The Basic Financial Statements and Other Supplementary Information of the State of New York were prepared by the Office of the State Comptroller in accordance with accounting principles generally accepted in the United States of America (GAAP) and were 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 for the fiscal year ended March 31, 2026 were filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system on July 28, 2026. An electronic copy of the Basic Financial Statements and Other Supplementary Information can be accessed through the EMMA system at www.emma.msrb.org, or by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236, Tel: (518) 474-4015. An informational copy of the Basic Financial Statements and Other Supplementary Information of the State of New York for FY 2026 is available on the Internet at:

https://www.osc.ny.gov/files/reports/finance/pdf/nys-basic-financial-statements-2026.pdf

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STATE OF NEW YORK • GENERAL OBLIGATION BONDS

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