



New York State Comptroller
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Report on Estimated Receipts and Disbursements

State Fiscal Years 2025-26 through 2027-28

November 2025

Executive Summary

This Report on Estimated Receipts and Disbursements for State Fiscal Year (SFY) 2025-26 through SFY 2027-28, issued pursuant to Section 23 of the State Finance Law, is intended to enhance analysis and discussion of New York State's economic condition and the State Budget.

The Office of the State Comptroller (OSC) estimates that the State's All Funds receipts will total \$257.9 billion in SFY 2025-26, an increase of 3.6 percent from SFY 2024-25. All Funds tax revenues will increase by 3.1 percent, or \$3.6 billion, in SFY 2025-26 as compared to the previous year. Tax revenues are then projected to increase in SFY 2026-27 by 4.1 percent and by 1.7 percent in SFY 2027-28.

OSC's estimates are based on analysis of actual revenue and disbursement collections and trends, recent and projected economic indicators and other timely information. The trajectory of the national and New York State economies is always uncertain, and the national economy has faced heightened uncertainty in recent months. The federal shutdown that began on October 1, 2025 presents a unique challenge to forecasting this year, as it has limited the release of timely economic data; lasted longer than any other shutdown; and may produce different economic effects than in the past if reductions-in-force are implemented.

In addition to the shutdown of the federal government, the U.S. economy will likely be impacted by tariff rates, immigration enforcement actions, changes to federal tax policy impacting business investment and consumer spending, and other federal fiscal policy actions, as well as the pace of inflation and its impact on interest rates, geopolitical conflicts or other conditions that may slow growth or produce another downturn.

OSC considers the revenue projections in this report to be reasonable and appropriate based on currently available information; however, the numerous and unprecedented risks mean that higher or lower projections may also be considered reasonable. Projections in this report do not reflect the impacts of any major economic disruption; in such an event, tax revenues could fall substantially below these estimates.

OSC's estimates are compared to projections made by the Division of the Budget (DOB) published in the Mid-Year Update to the FY 2026 NYS Enacted Budget Financial Plan ("Mid-Year Update") issued October 30, 2025. Figures 1 and 2 summarize OSC's estimates compared to DOB's estimates for receipts and disbursements as contained in the Mid-Year Update. This Office's estimates for All Funds receipts and disbursements reflect a variety of factors, including laws that provide for caps on growth in Medicaid and School Aid spending. OSC's figures reflect DOB's projections for federal receipts and disbursements, except with respect to federal receipts and disbursements relating to public assistance.

OSC's projections for All Funds tax receipts are \$1.1 billion higher than DOB's estimates for SFY 2025-26, \$2.4 billion higher in SFY 2026-27 and \$2.1 billion higher in SFY 2027-28. These projections include a forecast of higher receipts from the Pass-through Entity Tax (PTET) than DOB projects. DOB considers these collections revenue neutral on a multi-year basis. As such, these receipts do not impact outyear gap projections in the Financial Plan and historically the other parties to the Quick Start process have not included their own PTET projections.¹ Excluding these higher PTET receipt estimates, OSC projections for All Funds tax receipts are

\$268 million higher than DOB's estimates for SFY 2025-26, \$1.4 billion higher in SFY 2026-27 and \$715 million higher in SFY 2027-28.

Projections for federal receipts relating to public assistance are lower than DOB's projections by \$28 million in SFY 2025-26 and then \$17 million for each of SFY 2026-27 and SFY 2027-28. The sum of these changes is represented in Figure 1.

OSC's estimates for All Funds disbursements are \$21 million higher than estimates from DOB for SFY 2025-26, \$36 million higher in SFY 2026-27 and \$28 million higher in SFY 2027-28, based on DOB's current projections in the Mid-Year Update. These changes result from OSC estimates related to public assistance.

Figure 1
Actual and Estimated Receipts and Disbursements, All Funds
SFY 2024-25 through SFY 2027-28
(in millions of dollars)

	<u>2024-25</u>	<u>2025-26</u>	<u>Growth</u>	<u>2026-27</u>	<u>Growth</u>	<u>2027-28</u>	<u>Growth</u>
Receipts							
Office of the State Comptroller	248,986	257,908	3.6%	250,201	-3.0%	245,868	-1.7%
Division of the Budget	248,986	256,800	3.1%	247,780	-3.5%	243,776	-1.6%
Difference	-	1,108		2,421		2,092	
Disbursements							
Office of the State Comptroller	241,471	258,408	7.0%	255,935	-1.0%	259,847	1.5%
Division of the Budget	241,471	258,387	7.0%	255,899	-1.0%	259,819	1.5%
Difference	-	21		36		28	

Note: SFY 2024-25 data are actuals; all other years are projections.

Sources: Office of the State Comptroller, Division of the Budget

Figure 2
Actual and Estimated Receipts and Disbursements, State Operating Funds
SFY 2024-25 through SFY 2027-28
(in millions of dollars)

	<u>2024-25</u>	<u>2025-26</u>	<u>Growth</u>	<u>2026-27</u>	<u>Growth</u>	<u>2027-28</u>	<u>Growth</u>
Receipts							
Office of the State Comptroller	148,304	148,103	-0.1%	151,362	2.2%	150,760	-0.4%
Division of the Budget	148,304	146,966	-0.9%	148,931	1.3%	148,654	-0.2%
Difference	-	1,137		2,431		2,106	
Disbursements							
Office of the State Comptroller	133,654	147,562	10.4%	155,745	5.5%	163,456	5.0%
Division of the Budget	133,654	147,513	10.4%	155,692	5.5%	163,411	5.0%
Difference	-	49		53		45	

Note: SFY 2024-25 data are actuals; all other years are projections.

Sources: Office of the State Comptroller, Division of the Budget

Appendix B provides more detailed estimates for All Funds and State Operating Funds.

Economic Overview

National Economy

In 2024, the national economy continued its post-pandemic expansion: real Gross Domestic Product (GDP) increased by 2.8 percent.² In the first quarter of 2025, the national economy contracted by 0.6 percent, due largely to a 38 percent increase in imports in response to the initial announcement by the federal administration of higher tariffs. In the second quarter, imports declined by 29.3 percent and real GDP increased by 3.8 percent.³ Year-over-year economic growth in the first half of the year was 2.1 percent, slower than the 3.3 percent growth in real GDP for the same period in 2024.⁴ For the entire 2025 calendar year, S&P Global Market Intelligence (“S&P Global”) estimates economic growth will decelerate through the end of the year so that the 2025 increase in real GDP is projected to be 2.0 percent, increasing slightly to 2.2 percent in 2026.⁵ Growth is then projected to slow in 2027 and 2028.

In January, the inflation rate, as measured by the year-over-year change in the Consumer Price Index (CPI), was 3.0 percent, easing to 2.3 percent in April. Since then, inflation has been increasing, up to 3.0 percent in September. Inflation is projected to be 2.8 percent on an annual basis in 2025 and is forecasted to be slightly higher, 2.9 percent, in 2026.

Through April 2025, employment increased steadily, by an average of 123,000 jobs per month. Since then, job gains have slowed significantly, with a monthly average of 27,000 through August. With the slower employment growth, the unemployment rate edged up from 4.0 percent in January to 4.3 percent in August. In addition, the size of the nation’s labor force has contracted since April, with 357,000 fewer workers in August, and the labor force participation rate was down from 62.6 percent to 62.3 percent.⁶

On an annual basis, employment in 2025 is estimated to increase by a total of 1.4 million jobs, or 0.9 percent; the unemployment rate is anticipated to be 4.2 percent, up from 4.0 percent in 2024. Although economic growth is projected to accelerate in 2026, employment is forecast to increase at a slower rate, 0.6 percent, and the unemployment rate to rise to 4.5 percent.

Despite rising inflation, the slowdown in employment gains prompted the Federal Reserve Board (the Fed) to reduce interest rates by 25 basis points at each of its meetings in September and October. While Fed Chair Jerome Powell stated that an additional rate cut at the December meeting is not a “foregone conclusion,” S&P Global anticipates an additional rate cut of 25 basis points this year.⁷ However, with inflation projected to accelerate in 2026, S&P Global projects the Fed will keep rates the same through the first half of the year, but ultimately cut rates by 50 basis points over the entire year.

Wages are estimated to increase by 5.0 percent in 2025.⁸ Despite the slowdown in projected job gains, total wages are forecasted to show stronger growth in 2026, increasing by 5.4 percent.

Along with the projected increase in wages, non-wage income is also forecasted to grow through the remainder of 2025, albeit at a slower pace than in 2024, and then accelerate in 2026. As a result, S&P Global estimates total personal income to increase by 5.0 and by 5.4 percent in 2025 and 2026, respectively.

Figure 3
Annual Percentage Change in Selected Economic Indicators

UNITED STATES					
	2024	2025	2026	2027	2028
Real GDP	2.8	2.0	2.2	1.8	1.6
Employment	1.3	0.9	0.6	0.5	0.2
Wages	5.6	5.0	5.4	4.9	4.6
Personal Income	5.6	5.0	5.4	5.5	4.8
NEW YORK					
Employment	1.6	1.1	0.5	0.1	(0.2)
Wages	5.9	6.0	5.6	4.6	4.2
Personal Income	5.1	4.7	5.3	5.1	4.3

Note: Years are calendar years. 2024 statistics are actual results; all other years are projections.

Sources: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and S&P Global Market Intelligence, October 2025 U.S. and Regional Macroeconomic Forecasts

New York Economy

The New York economy grew by 2.0 percent in the first quarter of 2025 and growth in the second quarter was even stronger (4.0 percent), outpacing that of the nation (3.8 percent).⁹ Due to an expected deceleration in the second half of the year, S&P Global estimates the New York economy to grow at an annual rate of 2.8 percent in 2025. In 2026, the New York economy is projected to grow at the same rate as that of the nation, increasing by 2.2 percent.

Employment growth in New York has been erratic through the first eight months of 2025. Job gains averaged 7,800 per month, slower than the 13,700 monthly average through August 2024.¹⁰ Employment growth for the 2025 calendar year is estimated to slow to 1.1 percent from 1.6 percent in 2024, with further slowdowns in 2026 and 2027, increases of 0.5 percent and 0.1 percent, respectively.

According to the Quarterly Census of Employment and Wages, total wages paid in the first quarter of 2025 were 7.9 percent higher than those for the same quarter in 2024, due largely to the 16.3 percent increase in total wages for the finance and insurance industry. In contrast, the manufacturing industry in the state saw a 1.7 percent decline in total wages in the first quarter. S&P Global estimates overall wage growth for 2025 to be 6.0 percent and 5.6 percent in 2026.

Through the first six months of 2025, personal income in the state grew at the same rate as in the nation, 2.9 percent; however, wage growth in New York was faster, 3.4 percent compared to 2.5 percent.¹¹ On an annual basis, personal income in 2025 is estimated to increase by 4.7 percent by S&P Global, due, in part, to an expected slowdown in the growth in nonwage income. However, as both wage and nonwage income are forecasted to increase at a faster pace in 2026, personal income in New York is projected to grow by 5.3 percent.

Impact of the Federal Shutdown

The lapse in discretionary appropriations effective October 1, 2025 has resulted in a partial federal government shutdown. A portion of the federal workforce has been furloughed, and there may be reductions-in-force implemented for additional personnel. Some spending and government functions have been suspended.

Federal spending accounted for 6.5 percent of the national economy in 2024 and 1.3 percent of New York's GDP.¹² Government shutdowns affect the economy, but the effects have been largely temporary. According to the Congressional Budget Office (CBO), the previous shutdown, from December 22, 2018 to January 25, 2019, resulted in a decrease in real GDP of 0.1 percent in the fourth quarter of 2018 and 0.2 percent in the first quarter of 2019. However, impacted spending resumed after the federal government reopened and furloughed workers received back pay. As a result, most of the decline in economic activity was recovered in subsequent quarters; only a small share was permanently lost.¹³

The economic impact of the current shutdown is largely dependent upon its duration. In its October forecast, S&P Global assumed the shutdown would last two weeks with a 0.3 percentage point decrease to real GDP in the fourth quarter. Year-over-year growth in the fourth quarter is anticipated to be 1.8 percent, with an acceleration to 2.2 percent in the first quarter of 2026.

On October 29th, the CBO estimated that the current shutdown will reduce real GDP in the fourth quarter of 2025 between 1.0 to 2.0 percentage points, on an annualized basis, if the shutdown lasts between four to eight weeks.¹⁴ While most of the economic activity would be recovered once the shutdown ends in the first quarter of 2026, CBO estimates between \$7 billion and \$14 billion (in 2025 dollars) would be permanently lost due largely to decreased output of furloughed workers.

Unlike the previous shutdown where spending and wages were delayed, members of the Administration have indicated they will terminate funding for certain programs, may eliminate back pay for workers and/or terminate workers. CBO notes these and other risks and uncertainties could negatively impact the economy further, including that "any people who lost their jobs because of reductions in force that would not have occurred in the absence of a shutdown and who do not find other jobs would increase the unemployment rate beyond what is estimated here."¹⁵ There is also the potential for layoffs in the private sector, particularly for nonprofits whose services depend on federal funding. This loss of income would cause personal consumption, the greatest contributor to the economy, to decline.

Loss of federal workers or elimination of federal programs could also adversely affect business investment. Start-ups and small businesses that rely on the Small Business Administration may not have access to funding or services to help them grow, reducing job growth. Infrastructure investment may also decline, leading to decreases in construction employment.

In addition, the current shutdown has resulted in the suspension of federal data updates, particularly relating to economic activity at the national and sub-national levels. So far, weekly unemployment claims at the state level have continued to be updated (total federal unemployment claims have not). However, these data are lagged, with the most recent available for the week ended October 18.¹⁶ For this week, initial claims for unemployment in

New York increased by 2,600 from the end of September; continued claims (those claiming unemployment benefits) were 5,450 higher than the same week in 2024.¹⁷

While the Bureau of Labor Statistics published the September 2025 Consumer Price Index on October 24, 2025 (in advance of the meeting of the Federal Open Market Committee from October 28 – 29), it stated that this and all other releases will remain suspended until the shutdown ends.¹⁸ Lack of data clouds the status of the economy at all levels, adversely impacting accurate forecasting.

Risks to the Economic Forecast

S&P Global projects economic growth to slow in the final quarter of the current year, due in part to the current federal government shutdown, with the expansion continuing over the next two years. A more significant slowdown, or even a downturn, could arise due to any combination of factors.

Besides the shutdown, these risks include the uncertainty surrounding the imposition and level of tariffs; the Fed's interest rate response; and global unrest. All could constrain business investment in labor and capital as higher tariffs potentially disrupt supply chains, increase the price of production inputs, and reduce income growth for those businesses reliant on trade or tourism, potentially negating or limiting any benefits from tax policy or lower interest rates. For consumers, these risks could result in lower employment growth and higher prices for both goods and services, decreasing real income and the consumer's spending power. The duration of the impacts would be unknown. Projections in this report do not reflect the impact of any economic disruption that may result from such events.

Receipts

Overview

This section of the report includes the Office of the State Comptroller's estimates of All Funds tax receipts through the end of the current fiscal year, as well as projections for SFYs 2026-27 and 2027-28.

This forecast is consistent with a national economy that is projected by S&P Global to increase by 2.0 percent in the current calendar year, 2.2 percent in 2026 and 1.8 percent in 2027. Numerous underlying variables affect the national and State economies in different ways, increasing the difficulty of forecasting tax collections. These factors include not only traditional influences such as trends in employment and wages but also changes in both State and federal tax policy which influence taxpayer behavior in response to those changes. As a result, the State's actual tax revenues could deviate from these estimates and from those of DOB. Close monitoring is critical to identify deviations in a timely way so that corrective actions can be taken, if necessary.

In SFY 2024-25, All Funds tax receipts totaled \$117.5 billion, an increase of 10.4 percent from the previous year, primarily due to the impact that growth in the financial markets in both 2023 and 2024 had on personal income tax collections (for both receipts associated with the filing of tax year 2023 annual returns and withholding and estimated tax payments throughout tax year 2024).

While tax receipts in the first half of the fiscal year are generally influenced by strong collections from the filing of annual personal income tax returns from the previous calendar year, receipts in the second half typically benefit from factors including holiday sales, bonus payments in the finance and insurance sector, and prepayments of business taxes for the subsequent tax year. Tax collections to date in SFY 2025-26 have reflected mixed economic results including: employment and wage growth, the tariff impact on inflation, and a rebound in financial market gains. OSC estimates total tax receipts in SFY 2025-26 will increase 3.1 percent or \$3.6 billion, to \$121.1 billion.

In SFY 2026-27, All Funds tax collections are projected to increase by 4.1 percent. Revenue growth is partially due to the impact of strong personal income growth in calendar year 2025 that would be reflected in annual personal income tax returns; growth in personal income tax collections would be even higher but for the personal income tax rate cut for lower- and middle-income taxpayers enacted as part of the SFY 2025-26 Enacted Budget. Few of the federal tax provisions included in P.L. 119-21 will have an impact on State personal income tax collections due to previous decoupling legislation or provisions that do not flow through to the calculation of the New York personal income tax. On the other hand, some business tax changes will impact State revenues.¹⁹

For SFY 2027-28, growth in All Funds tax collections is projected to slow to 1.7 percent. While the economy is anticipated to continue to expand, it is forecasted to do so at a slower rate. Collections will also be impacted by the final phase-in of the lower PIT rates, the temporary

increase in the child tax credit, as well as the expiration of higher corporate franchise tax rates at the end of calendar year 2026.

Detailed figures on projected receipts and comparisons to DOB's projections appear in Appendix B.

Personal Income Tax

In addition to the increased employment and wages, stock market growth of 14.0 percent, on average, is anticipated for the year, which will also likely boost bonuses paid by financial firms at the end of the fiscal year.²⁰ As a result, total PIT collections in SFY 2025-26 are estimated to increase by \$3.8 billion (6.1 percent) to \$65.0 billion:

- Withholding tax collections in SFY 2025-26 are estimated to increase by 6.0 percent due to increases in employment and wages over the year, as well as higher bonus payments.
- Collections from estimated payments in the current fiscal year are expected to increase by \$1.9 billion (15.7 percent) from SFY 2024-25, due, in part, to strong growth in payments made with requests for extensions to file 2024 tax year annual returns (20.6 percent). In addition, quarterly payments associated with the 2025 tax year are estimated to increase by \$943 million reflecting the rebound in the financial markets after April, as well as increases in other nonwage income.
- However, refunds are also estimated to increase by \$2.7 billion (17.9 percent). This increase is largely due to the one-time payment of over \$2 billion in inflation refund credits in October 2025.

In SFY 2026-27, PIT collections are projected to increase by \$3.9 billion (6.0 percent). This increase is largely due to continued, albeit slowing, employment and wage growth as well as the impact of personal income growth on settlement payments for the 2025 tax year. Partially offsetting this increase is the first-year impact of the lower- and middle-income rate cuts and the increased child tax credit for children under the age of 4.

In SFY 2027-28, PIT collections are projected to increase by nearly \$1.5 billion (2.1 percent); slower growth primarily reflects the second phase-in of the lower tax rates and increased child tax credits for all children under the age of 17.

Consumption and Use Taxes

All Funds consumption and use tax receipts are estimated to increase by just over \$1 billion (4.5 percent) in SFY 2025-26 to \$23.4 billion. This increase is largely due to a 4.8 percent increase in receipts from the sales tax, the largest source of collections in this category. Continued, albeit slower, growth in consumption along with increasing inflation has contributed to the higher sales tax collections.

For SFY 2026-27, collections from All Funds consumption and use taxes are projected to increase by \$714 million (3.1 percent), with sales taxes growing by 3.2 percent. All other consumption taxes are forecasted to have little change except for adult use cannabis excise

taxes, with a forecasted increase of 29.3 percent, as the legal market becomes more established. Continued consumption growth, especially for durable goods, along with wage increases and higher inflation, will contribute to further growth of \$716 million (3 percent) in All Funds consumption and use taxes in SFY 2027-28.

Business Taxes

All Funds business tax receipts are estimated to decrease by \$1.4 billion (4.4 percent) in SFY 2025-26 to \$30.0 billion. In addition to weaker corporate profits and slower economic growth compared to the previous year, lower collections are due to bonus depreciation provisions in P.L. 119-21 that took effect for tax year 2025 and had not previously been decoupled in the New York Tax Law. Lower petroleum business tax (PBT) collections are largely due to a 5 percent decrease in the tax rate resulting from lower gas prices in 2024.²¹

In SFY 2026-27, All Funds business tax receipts are projected to increase slightly, by \$264.3 million (0.9 percent). This reflects slight growth (0.3 percent) in corporate profits as well as an increase in proprietor's income which influences PTET collections. Offsetting most of this growth is the continued impact of the federal bonus depreciation provisions as well as the anticipated decline in receipts from the PBT due to an additional 5 percent decrease in the tax rate resulting from lower petroleum prices in 2025.

All Funds business tax receipts are projected to continue to decline by \$150.0 million (0.5 percent) in SFY 2027-28 due largely to lower forecasted corporate franchise tax collections as a result of the expiration of the temporary higher tax rates on December 31, 2026.

Other Taxes

All Funds other taxes receipts are estimated to increase by \$185 million (7.2 percent) in SFY 2025-26 to \$2.8 billion. This increase primarily reflects higher collections from both estate taxes and real estate transfer taxes. Since estate taxes are statutorily required to be paid nine months from the date of death, they reflect economic conditions at that time. Strong collections through the first half of the fiscal year reflect the financial market growth at the beginning of the fiscal year. Receipts from real estate transfer taxes are estimated to increase by 6.5 percent due to increased home prices, partially offset by an estimated decrease in home sales.

In SFY 2026-27, All Funds other taxes collections are projected to increase by \$63 million (2.3 percent). Estimated growth of 0.8 percent in estate tax collections reflects a projected increase in household net worth. In addition, increases in home sales and home prices are projected to result in growth of 3.8 percent in real estate transfer tax receipts.

In SFY 2027-28, All Funds collections in this category are projected to increase by \$121 million (4.3 percent). Anticipated growth in household net worth supports higher estate tax receipts while the forecasted increase in real estate transfer taxes is a result of continued growth in both home prices and the number of home sales.

All Funds Miscellaneous Receipts, Including Gaming

Miscellaneous receipts include fees, fines, reimbursements, bond proceeds from public authorities, lottery revenues, payments from settlements, and interest on State investments.

General Fund miscellaneous receipts are estimated to decrease by \$954 million (18.5 percent) to \$4.2 billion in SFY 2025-26, largely relating to lower abandoned property and investment income. Miscellaneous receipts in the General Fund are anticipated to decrease by \$1.1 billion (26.2 percent) in SFY 2026-27 and to decline further in SFY 2027-28, by \$825 million (26.5 percent) as investment income is projected to continue to decrease.

Receipts from gaming in the State are estimated to total \$5.4 billion in SFY 2025-26, an increase of \$353 million (7.0 percent) from the prior fiscal year. The increase is largely attributable to the resumption of payments from the Seneca Nation partially offset by a \$41 million decrease in lottery revenue.

Over the next two fiscal years, gaming receipts are projected to decrease by \$202 million and then increase by \$37 million. Revenues from mobile sports betting are only expected to grow slightly, an increase of \$30 million and \$37 million in SFY 2026-27 and SFY 2027-28, respectively. Projections do not include any potential revenues from the downstate casino licenses which are currently anticipated to be awarded at the end of 2025.²²

All Funds miscellaneous receipts in SFY 2025-26 are estimated to total \$38.8 billion (most of which are initially collected outside the General Fund). This represents an increase of \$4.1 billion (11.7 percent) primarily due to an increase in bond proceeds deposited to capital projects funds.

All Funds miscellaneous receipts are projected to increase by \$1 billion (2.6 percent) in SFY 2026-27 primarily related to higher projected bond proceed collections deposited to Capital Projects Funds which are partially offset by the lower General Fund collections. Receipts are forecasted to decrease in SFY 2027-28 by \$2.3 billion (5.8 percent) resulting from lower bond proceeds as well as the impact of lower projected fund balances on investment income. Factors that may change such projections include the possibility of additional monetary settlements, as well as variances in reimbursements from bond proceeds, in part impacted by the amount of bonds issued.

Federal Receipts

Federal grants support State spending for Medicaid, transportation, education, public health, and environmental and energy programs, as well as other functions. Since SFY 2020-21, federal grants have included funding for pandemic-related costs including \$12.7 billion in State and Local Fiscal Recovery Fund (SLFRF) relief; however, these are projected to decrease significantly after SFY 2025-26. DOB is projecting \$3.0 billion in pandemic assistance in SFY 2025-26 with nominal amounts in the outyears (\$93 million in SFY 2026-27 and then \$24 million for the subsequent two SFYs).

In SFY 2025-26, federal receipts are projected to total \$98.0 billion, an increase of 1.3 percent largely due to timing of federal reimbursements. DOB projects federal receipts will sharply decrease by \$13.6 billion (13.9 percent) in SFY 2026-27, largely due to the effects of P.L. 119-

21, and will further decrease by \$4.2 billion (4.9 percent) in SFY 2027-28. There is inherent risk in projections associated with service-related spending such as Medicaid and public assistance that may also significantly affect federal reimbursement. Future federal appropriation bills may impose further reductions in federal receipts that pose an additional risk to the Financial Plan, as well.

Disbursements

Overview

This report's forecast for disbursements for SFY 2025-26 through SFY 2027-28 relies on a variety of data sources, including from New York's Statewide Financial System (SFS) and information from State agencies, such as DOB, the Department of Labor, and the Office of Temporary and Disability Assistance (OTDA).

This report provides Medicaid and School Aid spending projections from the Mid-Year Update, including the effect of their respective statutory spending caps. This report does not adjust for actual or planned actions that artificially and temporarily change growth rates, such as prepayments (which increase base year spending, while decreasing subsequent year spending, thus resulting in lower reported growth).

OSC estimates that Medicaid, School Aid and public assistance spending from All Funds will total \$136.1 billion in SFY 2025-26, which is \$7.5 billion, or 5.8 percent, higher than SFY 2024-25 levels. Spending in these areas is then projected to further increase to \$143.1 billion in SFY 2026-27, an almost \$7.0 billion, or 5.1 percent increase, primarily due to higher DOH Medicaid spending as well as increased elementary and secondary education spending. Spending is projected to increase to \$145.8 billion in SFY 2027-28, which is \$2.7 billion, or 1.9 percent, higher than in SFY 2026-27.

For SFY 2025-26, OSC estimates that Medicaid, School Aid and public assistance spending from State Operating Funds will total \$73.2 billion, an increase of \$6.8 billion, or 10.2 percent, from SFY 2024-25 levels. For SFY 2026-27, spending from State Operating Funds on these items is projected to total \$79.4 billion, an increase of \$6.2 billion or 8.5 percent from SFY 2025-26, and then continue to rise to \$82.8 billion, an increase of \$3.3 billion or 4.2 percent from the previous year.

All other State Operating Funds spending is projected to total \$74.3 billion in SFY 2025-26, an increase of \$7.1 billion compared to SFY 2024-25. All other spending includes such categories as debt service, General State Charges, Departmental Operations and local assistance grants outside of the categories listed above. It also reflects certain timing-related and other actions that affect reported spending growth (such as debt service prepayments). All other State Operating Funds spending is projected to increase by almost \$2.0 billion or 2.7 percent to \$76.3 billion in SFY 2026-27, and grow in SFY 2027-28 to \$80.7 billion, an increase of \$4.4 billion or 5.7 percent.

Detailed figures on projected disbursements, and comparisons to DOB projections, appear in Appendix B.

School Aid

Projections for School Aid reflect increases consistent with statutory spending caps and other changes included in previous budgets. The statutory cap on annual School Aid increases is the 10-year average annual change in personal income.²³

School Aid or General Support for Public Schools comprises a series of formulas that provide general operating support (for example, Foundation Aid) and reimbursement for a share of specific eligible expenses (for example, Building Aid or Transportation Aid), as well as grant programs that support specific activities for New York's school districts. Factors that can affect School Aid growth include enrollment, school district property and income wealth, student demographics and fluctuations in claims for various supported expenses.²⁴

Policymakers also affect annual growth in School Aid through legislative changes, which are difficult to project. School Aid is generally negotiated and legislated on a School Year (SY) basis. Because the school year begins on July 1 and ends on June 30, the State is funding portions of two school years in any given State Fiscal Year. State-funded spending in SY 2025-26 is expected to total \$37.6 billion. Federal pandemic assistance for education is expected to total approximately \$144 million in the current year.

OSC has relied on estimates provided by DOB that project School Aid spending from State Operating Funds will total almost \$37.0 billion in SFY 2025-26, which is an increase of \$1.7 billion or 4.7 percent from SFY 2024-25. This equates to \$37.6 billion on a school-year basis.

OSC has relied on DOB estimates that project School Aid spending from State Operating Funds would:

- Increase to \$38.4 billion in SFY 2026-27, an increase of \$1.4 billion or 3.8 percent over SFY 2025-26. This equates to \$38.8 billion on a school-year basis.
- Increase to \$39.7 billion in SFY 2027-28, an increase of \$1.3 billion or 3.4 percent over SFY 2026-27. This equates to \$40.2 billion on a school-year basis.

Medicaid

The SFY 2025-26 Enacted Budget includes one year of authority for Medicaid spending by DOH (including administration costs), with a specific limit in spending from State Operating Funds for the current year. The growth in costs included under the Medicaid Global Spending Cap is based on the five-year rolling average of projected health care spending by the Centers for Medicare & Medicaid Services (CMS).²⁵ Financial Plan spending projections through SFY 2027-28 assume the cap will be extended.

Starting in SFY 2014-15 and continuing through SFY 2024-25, DOH has managed the timing of Medicaid payments across fiscal years to ensure compliance with the Global Cap.²⁶ Most recently, \$1.4 billion was deferred from SFY 2024-25 into the current SFY 2025-26. Such cash management actions distort the analysis of the State's Medicaid spending and further undermine the purpose of the Global Cap.

In the Mid-Year Update, DOB projects that total DOH Medicaid spending will remain within the Global Cap only for SFY 2025-26. DOB projects that applicable Global Cap spending will be \$3.2 billion more than the Global Cap in SFY 2026-27 and \$4.9 billion over the Global Cap in SFY 2027-28. Moreover, these spending projections already include the shift of approximately \$2.3 billion in Other State Agency Medicaid spending that was previously counted under the Global Cap, but which the SFY 2025-26 Enacted Budget shifted outside of the Global Cap calculation in an effort to help comply with the Global Cap.

The Medicaid disbursement estimates detailed below reflect figures provided by DOB in the Mid-Year Update, which projected there will be 6.8 million enrollees in Medicaid for SFY 2025-26, a slight decrease of almost 88,000 from SFY 2024-25 actuals, and then modest growth of 48,000 for SFY 2026-27 and further growth of 49,000 enrollees for SFY 2027-28. DOB projects that the State-share costs of DOH Medicaid will continue to increase due to utilization changes (e.g., higher than expected use of home and personal care costs, which tend to be more costly services), and enrollment, as well as changes resulting from P.L. 119-21.

OSC has relied on DOB estimates for total DOH State Medicaid spending (including administrative costs) in SFY 2025-26 at \$35.4 billion from State Operating Funds and \$93.5 billion from All Funds.

OSC has relied on DOB estimates that projected total DOH Medicaid spending would:

- Increase in SFY 2026-27 to \$40.2 billion from State Operating Funds (up by 13.5 percent or \$4.8 billion from the previous year) and to \$99.2 billion from All Funds (an increase of 6.1 percent or \$5.7 billion).
- Total \$42.2 billion from State Operating Funds in SFY 2027-28, a year-over-year increase of \$2.0 billion or 5.0 percent, and \$100.6 billion from All Funds, representing an increase of \$1.4 billion or 1.4 percent.

DOB continues to use payments by tobacco manufacturers under the 1998 Master Settlement Agreement (MSA) to reduce reported Medicaid spending. MSA revenue is supposed to be deposited directly to the off-budget Medicaid Management Information System Escrow Fund, where it is spent without appropriation. DOB's current projections, as detailed above, reflect this action. Reported spending in the Mid-Year Update is reduced by \$298 million in SFY 2025-26, \$281 million in SFY 2026-27, and \$265 million in SFY 2027-28 due to this off-budget spending. DOB identified \$97 million of such spending in SFY 2024-25; as of October 31, 2025, no such deposit was made for SFY 2025-26.

Public Assistance

Projections of public assistance caseloads and spending are sensitive to economic fluctuations. As unemployment increases and income falls, the number of people in need of public assistance typically increases. Ever since the pandemic and its associated economic downturn, public assistance caseloads have increased, particularly in New York City, and caseloads in the rest of the State are also showing growth.

According to the U.S. Bureau of Labor Statistics (BLS), 39.7 percent of the U.S. unemployed population (aged 16 and older) had been out of work for 15 weeks or more as of August 2025,

compared to 37.5 percent in August 2024.²⁷ As of August 2025, the unemployment rate in New York on a seasonally adjusted basis was 4.0 percent.²⁸ BLS produces a broader measure, labor market underutilization, which includes the unemployed population counted within the official unemployment rates, but also marginally attached workers, as well as those who are employed part-time for economic reasons.²⁹ For New York, this measure was 7.7 percent for the fourth quarter of 2024 through the third quarter of 2025, down from 8.2 percent for the same period in the preceding year.³⁰

A lack of affordable housing can also result in higher public assistance caseloads. Individuals who are unable to maintain rental payments may end up unhoused and in need of public assistance. Alternatively, if individuals are unable to find sufficient employment for any number of reasons, then it may be necessary to temporarily receive public assistance to allow them time to find gainful employment.

Using caseloads and spending figures contained in monthly caseload reports issued by OTDA, most recently for August 2025, OSC estimates that SFY 2025-26 All Funds spending for public assistance will total \$2.1 billion (including \$856 million from State Operating Funds), based on caseloads of 352,898 families and 366,298 single recipients. Figure 4 provides more detailed estimates of public assistance caseloads.

For SFY 2026-27, public assistance spending from All Funds is projected to increase by \$25 million, or 1.2 percent, to \$2.1 billion (including \$877 million from State Operating Funds), based on caseloads of 355,551 families and 376,335 single recipients.

For SFY 2027-28, All Funds spending for public assistance is estimated to increase by \$4 million, or 0.2 percent, to \$2.1 billion (including \$886 million from State Operating Funds), based on caseloads of 355,673 families and 380,489 single recipients.

Figure 4
Comparison of Actual and Projected Caseloads,
Temporary Assistance for Needy Families (TANF), Safety Net Families and Singles

TANF Families	2024-25	2025-26	Growth	2026-27	Growth	2027-28	Growth
Office of the State Comptroller	202,592	204,109	0.7%	204,638	0.3%	203,934	-0.3%
Division of the Budget	201,573	208,640	3.5%	207,446	-0.6%	206,737	-0.3%
Difference	1,019	(4,531)		(2,808)		(2,803)	
Safety Net Families	2024-25	2025-26	Growth	2026-27	Growth	2027-28	Growth
Office of the State Comptroller	141,181	148,789	5.4%	150,913	1.4%	151,739	0.5%
Division of the Budget	138,380	142,955	3.3%	142,316	-0.4%	142,081	-0.2%
Difference	2,801	5,834		8,597		9,658	
Safety Net Singles	2024-25	2025-26	Growth	2026-27	Growth	2027-28	Growth
Office of the State Comptroller	319,688	366,298	14.6%	376,335	2.7%	380,489	1.1%
Division of the Budget	329,112	361,914	10.0%	372,251	2.9%	382,792	2.8%
Difference	(9,424)	4,384		4,084		(2,303)	
Total Caseloads	2024-25	2025-26	Growth	2026-27	Growth	2027-28	Growth
Office of the State Comptroller	663,461	719,196	8.4%	731,886	1.8%	736,162	0.6%
Division of the Budget	669,065	713,509	6.6%	722,013	1.2%	731,610	1.3%
Difference	(5,604)	5,687		9,873		4,552	

Note: SFY 2024-25 figures for the Office of the State Comptroller represent actual caseloads based on OTDA data. All other years are projections.

Sources: Office of the State Comptroller, Division of the Budget, OTDA

Risks to Disbursement Forecasts

Continued Structural Imbalance

Overall spending growth is outpacing revenue projections and causing a structural imbalance, as noted in previous Office of the State Comptroller reports.³¹ Attempts to rein in spending in both Medicaid and Education (the “Big 2”) have yielded some results, but not meaningfully changed the trajectory. The SFY 2025-26 Enacted Budget, for example, weakens the Medicaid Global Cap by excluding approximately \$2 billion in expenses that previously counted under the Cap.³²

Outyear budget gap projections have improved since the release of DOB’s First Quarter Financial Plan Update, and cumulatively total \$26.8 billion in the Mid-Year Update, down from \$34.3 billion. The continuation of the State’s structural imbalance will only exacerbate any

unanticipated fiscal challenges, whether from an economic downturn or a further shift in the federal-state fiscal relationship that requires states to bear increased responsibility for benefits and programs which have traditionally been primarily funded by the federal government. Policymakers and the State would benefit from undertaking an analysis of this structural imbalance and having serious discussions about how to improve the alignment of recurring revenue with recurring spending, to better prepare the State for even tougher times.

Federal Healthcare Changes

The State's healthcare system, including Medicaid and the Essential Plan (EP), is facing substantial fiscal and structural shifts due to recent changes at the federal level. Major developments include new limits on State financing mechanisms (such as the Managed Care Organization tax, among others),³³ changes to eligibility that affect federal funding,³⁴ and federal policy changes that could reduce public health coverage.³⁵ The combined effect of these changes is going to result in fewer affordable healthcare options for low- and moderate-income New Yorkers, a disruption to healthcare provider funding and stability, and increased State costs.

Reduced federal funding will force the State to make tough choices between replacing lost federal revenue with available resources; scaling back benefits and/or healthcare provider payments; or some combination; these decisions must be carefully considered by policymakers. The Executive has already proposed effectuating a change to reduce the fiscal and service impacts of federal changes by reverting the State's current EP, which is now operating under a Section 1332 Waiver, to the pre-Waiver EP that operated under Section 1331 of the Affordable Care Act.³⁶ This would preserve coverage for an estimated 1.3 million enrollees; however, almost 450,000 EP enrollees with incomes between 200 to 250 percent of the federal poverty level (FPL) will no longer be eligible for EP coverage. On the other hand, if the State successfully reverts (it requires approval from the federal Centers for Medicare & Medicaid Studies) to the pre-Waiver EP, then the State could utilize approximately \$9 billion in available resources to help pay for EP healthcare coverage;³⁷ these funds are currently inaccessible because they are only able to be used for Section 1331 healthcare purposes. The interplay of how federal changes affect eligibility, availability of funding, and healthcare coverage is complex, but there are significant implications for New Yorkers and the State, which must be addressed and, to the extent possible, anticipated by policymakers in the upcoming years.

Education

New York spends more per pupil than any other state in the United States, reflecting the State's commitment to education. While a statutory cap exists intended to limit the growth in School Aid, the State has often exceeded this growth cap. Foundation Aid has been fully funded for the last two years, and yet the State continues to see growth in School Aid above the cap. Most recently, for SY 2025-26, projected growth of 4.9 percent is more than the allowable growth under the statutory cap, which is 4.5 percent. While the SFY 2025-26 Enacted Budget included some reforms proposed in the statutorily required report on Foundation Aid, there may be additional recommendations worth considering by policymakers in the upcoming years.

Public Assistance and the Social Safety Net

The federal government has recently sought to reshape its cost-sharing relationship with states when it comes to public assistance and social safety net programs, such as the Supplemental Nutrition Assistance Program (SNAP). Historically, SNAP has been a primarily federally funded program, with the federal government covering 100 percent of benefit costs and half of administrative expenses.³⁸ Beginning in Federal Fiscal Year (FFY) 2027, states' administrative costs (including any local share of these costs) will increase to 75 percent and in FFY 2028 states may have to pay a portion of the benefit costs. The Mid-Year Update includes State cost estimates from increased administrative expenses, but not from paying a portion of benefits; this poses a further risk to the State's fiscal position.

While the State-share of SNAP costs is limited (due to how SNAP is primarily administered at the local level), changes to SNAP eligibility rules may result in fewer New Yorkers being able to utilize these benefits, which could have a cascading effect on the State's social safety net, including those New Yorkers in need of public assistance. As a [recent Office of the State Comptroller report](#) has found, food insecurity worsened for many New Yorkers in the 2021 to 2023 period, when an average of one in eight New York households were unable to reliably acquire enough food. Loss of existing social safety net supports, or additional hurdles to qualify for them, is will pose more challenges to already-struggling New Yorkers. Unfortunately, the effect of the continued government shutdown is acutely showing how critical maintaining support for SNAP is, which only emphasizes the importance of the State and policymakers to ensure the State's fiscal trajectory can sustain unexpected shifts in the availability of federal resources.

Overall, these changes signal a redefinition of the federal government's role, from being the primary funder and stabilizer of social safety net programs to a cost-sharing partner that places greater fiscal responsibility on states. For New York, the result will likely be higher budgetary pressures, an increased likelihood for policymakers to make decisions about trade-offs among social support programs, and renewed emphasis on the need for attaining structural budgetary balance.

Appendix A – The “Quick Start” Process

This Report on Estimated Receipts and Disbursements for State Fiscal Year (SFY) 2025-26 through SFY 2027-28, issued pursuant to Section 23 of the State Finance Law, is intended to enhance analysis and discussion of the State’s economic condition and the State Budget.

The State Finance Law requires the staffs of the Governor, the Temporary President of the Senate, the Speaker of the Assembly and the Comptroller to prepare and make available by November 5 of each year separate reports detailing estimates of “state receipts and state disbursements for the current and ensuing fiscal years.”³⁹ OSC interprets this provision as requiring estimates for the current and the next two fiscal years.

The receipts forecast must include, but is not limited to, estimates of tax collections on an All Funds basis, lottery receipts and General Fund miscellaneous receipts. The disbursements forecast is required to include, but is not limited to, estimates for spending on Medicaid, public assistance, and elementary and secondary education (School Aid). The underlying factors and data upon which the disbursement estimates are based must be included as well. For the purpose of providing estimates and projections on an All Funds basis, OSC’s figures reflect DOB’s projections for federal receipts and disbursements, except with respect to federal receipts and disbursements relating to public assistance.

Not later than November 15, the Governor, the Temporary President of the Senate and the Speaker of the Assembly are directed to prepare jointly and make available on their respective websites a report on the actual, estimated and projected State receipts and disbursements for the prior, current and ensuing fiscal years.

The statute also requires a public meeting of the staffs of the Governor, the Temporary President of the Senate, the Speaker of the Assembly and the Comptroller to be held on or before November 15 to review financial information jointly, including the economic outlook, receipt forecasts, projected disbursements, and the impact of relevant State and federal statutory provisions on the State’s Financial Plan, to facilitate the timely adoption of a State Budget for the next fiscal year.

OSC maintains extensive data on receipts and disbursements, which reflect the flow of revenues and expenditures through New York’s Statewide Financial System (SFS), on which it issues monthly reports. OSC’s estimates are based on analysis of such data, along with projections by DOB, recent and projected economic indicators and other information.

This Office’s estimates for All Funds receipts and disbursements reflect a variety of factors, including current law that provides for caps on growth in Medicaid and School Aid spending. Estimates for State Operating Funds are also provided in the Appendix because the statutory cap on Medicaid disbursements applies to disbursements from that fund category.

Appendix B – Financial Projections

Projections Based on Current Law, Including Enacted Spending Caps

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2025-26
(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	64,958	64,590	368
Consumer Taxes	23,359	22,957	402
Business Taxes	30,004	29,663	341
Other Taxes	2,771	2,746	25
<i>Total Taxes</i>	<u>121,092</u>	<u>119,956</u>	<u>1,136</u>
General Fund Miscellaneous Receipts	4,214	4,214	-
Lottery	5,362	5,362	-
Subtotal	130,668	129,532	1,136
Other Miscellaneous Receipts	29,252	29,252	-
Federal Grants	97,988	98,016	(28)
Total Receipts	<u>257,908</u>	<u>256,800</u>	<u>1,108</u>
Disbursements:			
Elementary and Secondary Education	40,571	40,571	-
DOH Medicaid (incl. administration)	93,491	93,491	-
Public Assistance	2,076	2,055	21
Subtotal	136,138	136,117	21
All Other Disbursements	122,270	122,270	-
Total Disbursements	<u>258,408</u>	<u>258,387</u>	<u>21</u>

Note: Figures may not total due to rounding.

Sources: Office of the State Comptroller, Division of the Budget

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2026-27
(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	68,824	67,589	1,235
Consumer Taxes	24,073	23,622	451
Business Taxes	30,268	29,433	835
Other Taxes	2,834	2,917	(83)
<i>Total Taxes</i>	<u>125,999</u>	<u>123,561</u>	<u>2,438</u>
General Fund Miscellaneous Receipts	3,112	3,112	-
Lottery	5,160	5,160	-
Subtotal	134,271	131,833	2,438
Other Miscellaneous Receipts	31,556	31,556	-
Federal Grants	84,374	84,391	(17)
Total Receipts	<u>250,201</u>	<u>247,780</u>	<u>2,421</u>
Disbursements:			
Elementary and Secondary Education	41,800	41,800	-
DOH Medicaid (incl. administration)	99,205	99,205	-
Public Assistance	2,101	2,065	36
Subtotal	143,106	143,070	36
All Other Disbursements	112,829	112,829	-
Total Disbursements	<u>255,935</u>	<u>255,899</u>	<u>36</u>

Note: Figures may not total due to rounding.

Sources: Office of the State Comptroller, Division of the Budget

Office of the State Comptroller Estimates for Receipts and Disbursements
All Funds - State Fiscal Year 2027-28
(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	70,286	69,797	489
Consumer Taxes	24,789	24,269	520
Business Taxes	30,118	28,867	1,251
Other Taxes	2,955	3,106	(151)
<i>Total Taxes</i>	<u>128,148</u>	<u>126,039</u>	<u>2,109</u>
General Fund Miscellaneous Receipts	2,287	2,287	-
Lottery	5,197	5,197	-
Subtotal	135,632	133,523	2,109
Other Miscellaneous Receipts	30,036	30,036	-
Federal Grants	80,200	80,217	(17)
Total Receipts	<u>245,868</u>	<u>243,776</u>	<u>2,092</u>
Disbursements:			
Elementary and Secondary Education	43,087	43,087	-
DOH Medicaid (incl. administration)	100,582	100,582	-
Public Assistance	2,105	2,077	28
Subtotal	145,774	145,746	28
All Other Disbursements	114,073	114,073	-
Total Disbursements	<u>259,847</u>	<u>259,819</u>	<u>28</u>

Note: Figures may not total due to rounding.

Sources: Office of the State Comptroller, Division of the Budget

Office of the State Comptroller Estimates for Receipts and Disbursements
State Operating Funds - State Fiscal Year 2025-26
(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	64,958	64,590	368
Consumer Taxes	22,726	22,329	397
Business Taxes	29,431	29,084	347
Other Taxes	2,514	2,489	25
<i>Total Taxes</i>	<u>119,629</u>	<u>118,492</u>	<u>1,137</u>
General Fund Miscellaneous Receipts	4,214	4,214	-
Lottery	5,362	5,362	-
Subtotal	129,205	128,068	1,137
Other Miscellaneous Receipts	18,850	18,850	-
Federal Grants	48	48	-
Total Receipts	<u>148,103</u>	<u>146,966</u>	<u>1,137</u>
Disbursements:			
Elementary and Secondary Education	36,961	36,961	-
DOH Medicaid (incl. administration)	35,421	35,421	-
Public Assistance	856	807	49
Subtotal	73,238	73,189	49
All Other Disbursements	74,324	74,324	-
Total Disbursements	<u>147,562</u>	<u>147,513</u>	<u>49</u>

Note: Figures may not total due to rounding.

Sources: Office of the State Comptroller, Division of the Budget

Office of the State Comptroller Estimates for Receipts and Disbursements
State Operating Funds - State Fiscal Year 2026-27
(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	68,824	67,589	1,235
Consumer Taxes	23,428	22,993	435
Business Taxes	29,723	28,879	844
Other Taxes	2,577	2,660	(83)
<i>Total Taxes</i>	<u>124,552</u>	<u>122,121</u>	<u>2,431</u>
General Fund Miscellaneous Receipts	3,112	3,112	-
Lottery	5,160	5,160	-
Subtotal	132,824	130,393	2,431
Other Miscellaneous Receipts	18,494	18,494	-
Federal Grants	44	44	-
Total Receipts	<u>151,362</u>	<u>148,931</u>	<u>2,431</u>
Disbursements:			
Elementary and Secondary Education	38,354	38,354	-
DOH Medicaid (incl. administration)	40,202	40,202	-
Public Assistance	877	824	53
Subtotal	79,433	79,380	53
All Other Disbursements	76,312	76,312	-
Total Disbursements	<u>155,745</u>	<u>155,692</u>	<u>53</u>

Note: Figures may not total due to rounding.

Sources: Office of the State Comptroller, Division of the Budget

Office of the State Comptroller Estimates for Receipts and Disbursements
State Operating Funds - State Fiscal Year 2027-28
(in millions of dollars)

	Office of the State Comptroller	Division of the Budget	Difference
Receipts:			
Personal Income Tax	70,286	69,797	489
Consumer Taxes	24,137	23,639	498
Business Taxes	29,587	28,317	1,270
Other Taxes	2,698	2,849	(151)
<i>Total Taxes</i>	<u>126,708</u>	<u>124,602</u>	<u>2,106</u>
General Fund Miscellaneous Receipts	2,287	2,287	-
Lottery	5,197	5,197	-
Subtotal	134,192	132,086	2,106
Other Miscellaneous Receipts	16,531	16,531	-
Federal Grants	37	37	-
Total Receipts	<u>150,760</u>	<u>148,654</u>	<u>2,106</u>
Disbursements:			
Elementary and Secondary Education	39,661	39,661	-
DOH Medicaid (incl. administration)	42,220	42,220	-
Public Assistance	886	841	45
Subtotal	82,767	82,722	45
All Other Disbursements	80,689	80,689	-
Total Disbursements	<u>163,456</u>	<u>163,411</u>	<u>45</u>

Note: Figures may not total due to rounding.

Sources: Office of the State Comptroller, Division of the Budget

Endnotes

- ¹ Limited information is available about how PTET revenue neutrality operates within in the Financial Plan. In addition, since the PTET is an optional tax, the number of businesses paying the tax has varied since its inception. This, as well as the interaction of the PTET with the personal income tax, adds to the complexity of projecting collections beyond the economic factors.
- ² U.S. Bureau of Economic Analysis, [Table 1 Real Gross Domestic Product and Related Measures: Percent Change from Preceding Period](#) (accessed on September 26, 2025).
- ³ Ibid.
- ⁴ U.S. Bureau of Economic Analysis, [Appendix Table B. Not Seasonally Adjusted Real Gross Domestic Product: Level and Percent Change from Quarter One Year Ago](#) (accessed on September 26, 2025)
- ⁵ The faster growth in 2026 is partially due to the shift of economic activity from the fourth quarter of 2025 into the first quarter of 2026 as a result of the federal government shutdown. Unless otherwise noted, for purposes of this report, projections of economic variables and events are primarily drawn from the S&P Global Market Intelligence Macroeconomic Forecast, October 2025.
- ⁶ U.S. Department of Labor, Bureau of Labor Statistics, [Household Data Series from the Monthly A Tables](#), (accessed on October 16, 2204)
- ⁷ S&P Global , [Fed Brief](#), October 29, 2025.
- ⁸ Change from the fourth quarter of 2024 on a seasonally adjusted basis. U.S. Bureau of Economic Analysis, [Table 2.1. Personal Income and Its Disposition](#) (accessed on September 26, 2025)
- ⁹ U.S. Bureau of Economic Analysis, ["SQGDP1 State quarterly gross domestic product \(GDP\) summary"](#) (accessed on September 26, 2025).
- ¹⁰ New York State Department of Labor, [Seasonally Adjusted Employment Data for New York State and Metro Areas](#) (accessed on September 29, 2025)
- ¹¹ U.S. Bureau of Economic Analysis, [SQINC4 Personal income by major component](#), New York, on a seasonally adjusted annual basis (accessed on September 26, 2025).
- ¹² U.S. Bureau of Economic Analysis, [National GDP and Personal Income](#) and [GDP by State](#), accessed on October 16, 2025.
- ¹³ Congressional Budget Office, [The Effects of the Partial Shutdown Ending in January 2019 \(2019\)](#).
- ¹⁴ Congressional Budget Office, <https://www.cbo.gov/system/files/2025-10/61823-Shutdown.pdf>
- ¹⁵ Congressional Budget Office, <https://www.cbo.gov/system/files/2025-10/61823-Shutdown.pdf>
- ¹⁶ Whether or not the state level data will continue to be published for subsequent weeks is unclear.
- ¹⁷ U.S. Department of Labor, Office of Unemployment Insurance, [Unemployment Insurance Weekly Claims Data](#), accessed on November 3, 2025.
- ¹⁸ [Announcement of the U.S. Bureau of Labor Statistics](#), October 10, 2025.
- ¹⁹ The new federal deductions for overtime pay, tipped income, and interest on car loans as well as the enhanced personal exemption for seniors are used in the calculation of federal taxable income. As a result, they do not flow through to the calculation of New York State taxable income. While the federal itemized deduction limitation on state and local taxes paid was temporarily increased, the forecast assumes no change to participation in the PTET for tax years 2026 and 2027 as the majority of filers claiming PTET report taxes paid above the new limit (See Office of the State Comptroller, [Tax Provisions under the Federal Reconciliation Bill](#), September 2025).
- ²⁰ As measured by the estimated average annual change in the S&P 500, S&P Global Macroeconomic Forecast, October 2025.
- ²¹ The petroleum business tax (PBT) rate is imposed on a cents per gallon basis and is adjusted annually to reflect the change in fuel prices (the year-over-year change in the producer price index for refined petroleum products). However, the rate cannot be increased/decreased by more than 5 percent.
- ²² As of October 20, 2025, there are currently three applicants for the three casino licenses. Fees of \$500 million per license are to be deposited to the Metropolitan Transportation Authority Commercial Gaming Revenue Fund. Any

revenues from the taxes on gross gaming revenues will depend on the number of licenses awarded and the timing of the opening of the casino,

- ²³ For this purpose, personal income within New York State is measured on a State Fiscal Year basis.
- ²⁴ Pursuant to Section 305 of the Education Law, the State Education Department provides detailed School Aid data by district three times throughout the year – February 15, May 15 and November 15. November data is typically used to calculate aid in the Executive Budget proposal and February data is typically used to calculate aid for the Enacted Budget.
- ²⁵ In the SFY 2022-23 Enacted Budget made a change to this method from previously determining such cap based on the 10-year average growth in the medical component of the Consumer Price Index.
- ²⁶ Between SFY 2014-15 and SFY 2017-18, such actions ranged from \$50 million to roughly \$435 million. Then, in SFY 2018-19, DOH deferred \$1.7 billion in certain State-share Medicaid costs. The practice of deferring over a billion dollars of Medicaid costs across fiscal years continues: \$1.1 billion deferred from SFY 2019-20 to SFY 2020-21; \$1.7 billion deferred from SFY 2020-21 to SFY 2021-22; \$1.8 billion deferred from SFY 2022-23 to SFY 2023-24; \$1.4 billion deferred from SFY 2023-24 to SFY 2024-25; and \$1.4 billion deferred from SFY 2024-25 into the current SFY 2025-26.
- ²⁷ U.S. Bureau of Labor Statistics, [Employment Situation Summary Table A. Household data, seasonally adjusted](#) (accessed on October 21, 2025).
- ²⁸ New York State Department of Labor, [Local Area Unemployment Statistics](#), (accessed on October 21, 2025).
- ²⁹ Marginally attached workers are those who have looked for jobs in the last 12 months, but do not believe any jobs are available. Those who work part-time for economic reasons who want a full-time job, but they either have reduced hours or cannot find a full-time job.
- ³⁰ U.S. Bureau of Labor Statistics, [Local Area Unemployment Statistics](#), (accessed on October 21, 2025).
- ³¹ Office of the State Comptroller, [“Report on the State Fiscal Year 2024-25 Enacted Budget Financial Plan,”](#) page 21 (accessed on October 17, 2025) and [“Report on the State Fiscal Year 2026 Enacted Budget and First Quarterly Financial Plans,”](#) pages 4-7 (accessed October 17, 2025).
- ³² New York State Division of the Budget, [“NY 2026 NYS Enacted Budget Financial Plan Mid-Year Update,”](#) page 17 (accessed on October 30, 2025).
- ³³ Office of the State Comptroller, [“Enacted Budget Report State Fiscal Year 2025-26,”](#) page 11 (accessed on October 14, 2025); specifically, the \$5.9 billion in receipts from the Managed Care Organization tax to be spent over the SFY 2026 through SFY 2028 period, that are in jeopardy due to changes in statute and proposed regulatory changes.
- ³⁴ New York State of Health, [“Press Release: Following Devastating Federal Funding Cuts, New York State Takes New Action to Preserve Health Care for as Many New Yorkers as Possible,”](#) (accessed on October 14, 2025).
- ³⁵ KFF, [“Health Provisions in the 2025 Federal Budget Reconciliation Law,”](#) (accessed on October 14, 2025) in relation to Medicaid work requirements and changes to eligibility redeterminations from every 12 to every 6 months.
- ³⁶ New York State of Health, [“Press Release: Following Devastating Federal Funding Cuts, New York State Takes New Action to Preserve Health Care for as Many New Yorkers as Possible,”](#) (accessed on October 14, 2025).
- ³⁷ New York State Division of the Budget, [“FY 2026 NYS Enacted Budget Financial Plan Mid-Year Update,”](#) page 136 (accessed November 5, 2025).
- ³⁸ Congressional Research Services, [“Supplemental Nutrition Assistance Program \(SNAP\): A Primer on Eligibility and Benefits”](#) report, page 2, updated September 29, 2025 (accessed October 16, 2025).
- ³⁹ See Section 23(5) of the State Finance Law.

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