

Overview

FISCAL OVERVIEW

The Executive Financial Plan All Funds disbursements for the State Fiscal Year (SFY) 2008-09 budget are projected to be approximately \$121.61 billion, a net increase of \$5.55 billion or 4.8 percent, from SFY 2007-08.

On a State Funds basis according to the Executive Financial Plan, disbursements are projected to be \$85.97 billion, a net increase of \$4.59 billion or 5.6 percent, from SFY 2007-08.

The Executive Financial Plan General Fund disbursements are projected to be \$56.36 billion a net increase of \$2.98 billion or 5.6 percent from SFY 2007-08. The increase in General Fund spending is primarily due to Education, Health, Higher Education, Housing and Local Assistance.

Disbursements

Highlights of the SFY 2008-09 Enacted Budget include the following:

- **Across the Board Reductions.** The Enacted Budget reflects the Executive's resubmission which includes an approximate 2 percent Aid to Localities and 3.35 percent State Operations across the board spending reduction to certain non-entitlement programs, in the amount of \$710 million to reflect deteriorating economic conditions since the proposed 21-Day Amendments. These reductions are allocated as follows: \$505 million in State Operations and \$205 million in Aid to Localities.
- **Education.** The Enacted Budget Education Package adds \$400 million on a State Fiscal Year basis to the Executive proposal. As a result, General Support for Public Schools increases by \$1.75 billion (8.9 percent) over School Year (SY) 2007-08 for a total of \$21.3 billion. The final budget agreement continues a multiyear commitment to school funding.
- The Enacted Budget restores both the three percent minimum and the previously enacted State Sharing Ratio calculation to Foundation Aid for a net increase of \$21.5 million over the Executive. In addition, the Budget restores Boards of Cooperative Education Services (BOCES) funding to present law levels. This equates to an SY 2008-09 increase of \$78 million.
- The Enacted Budget funds Universal Prekindergarten at \$450 million, an increase of \$96 million over SY 2007-08 which will provide services for up to 121,000 four year old children.

- The Enacted Budget rejects the Executive's proposed changes to the Preschool Special Education program, including the shift of evaluation and administrative costs from the State to school districts, for school district savings of \$42 million.
- In addition, the Enacted Budget adds \$85 million for additional programs and restorations, such as Adult Literacy Education, Independent Living Centers, Libraries, and the State Education Department (SED) Office of Personnel Review and Accountability (OSPRA) for performing criminal background checks.
- **Health.** The SFY 2008-09 Enacted Budget provides approximately \$49 billion in funding authorization for health care in New York State. This includes a restoration of \$453 million to the \$1.1 billion in Medicaid, Health Care Reform Act (HCRA) and Public Health reductions advanced by the Executive.
- **Higher Education.** The Enacted Budget adds a new \$6 billion five-year capital plan for the State University of New York (SUNY) and City University of New York (CUNY) operating systems. The capital plan provides for new strategic projects around the state (refer to the sections on SUNY and CUNY for a complete list of projects).
- **Housing.** The Enacted Budget provides an additional \$200 million in Capital and Assistance Funds to support affordable, supportive and workforce housing opportunities throughout the state (refer to the Division of Housing and Community Renewal (DHCR) section for a complete list of housing projects). Housing needs will be financed in part with a one-time release of excess reserves from the Mortgage Insurance Fund in the amount of \$100 million (refer to State of New York Mortgage Agency (SONYMA) section for a complete list of housing programs).
- **Local Assistance.** The Enacted Budget increases and restores aid for local governments in the Aid and Incentive for Municipalities program by \$112 million above the Executive budget proposal; provides an additional \$60 million in Consolidated Highway Improvement Program (CHIPS) funding which provides financing for the improvement and maintenance of local roads and bridges; rejects the 50 percent reimbursement to local districts for costs associated with secure and non-secure youth detention, saving local districts \$34.7 million; and rejects the two percent cost shift from the state to counties for local administration expenditure in public assistance, saving counties \$40.5 million.

Receipts

The Executive Financial Plan General Fund tax receipts for the Enacted SFY 2008-09 Budget are estimated at \$55.64 billion, a net increase of \$2.54 billion, or 4.8 percent, from SFY 2007-08.

The Executive Financial Plan Receipts on an All Funds basis are projected to be approximately \$119.9 billion, a net increase of \$4.52 billion, or 3.9 percent, from SFY 2007-08.

Closing Balance and Reserves

The Executive Financial Plan anticipates an SFY 2008-09 General Fund closing balance including certain reserves of \$2.03 billion.

Restricted Reserves are projected to be \$1.46 billion and include:

Tax Stabilization Reserve Fund	\$1,031
Contingency Reserve Fund	21
Statutory Rainy Day Reserve	175
Community Projects Fund	237

Unrestricted Reserves are projected to be \$567 million and include:

Labor Settlement Reserve/Likely Risks	\$445
Debt Reduction Reserve Fund	122

**CASH FINANCIAL PLAN
GENERAL FUND
Executive Plan 2008-09
(millions of dollars)**

	2008-09 Executive Plan
Opening Fund Balance	<u><u>2,754</u></u>
Receipts:	
Taxes	
Personal Income Tax	23,920
User taxes and fees	8,937
Business taxes	6,559
Other taxes	1,194
Miscellaneous receipts	2,505
Federal grants	41
Transfers from other funds	
- PIT Revenue Bond	8,583
- LGAC	2,355
- RETT	597
- All other	947
Total Receipts	<u><u>55,638</u></u>
Disbursements:	
Grants to local governments*	39,126
State operations	8,662
General State charges	3,023
Transfers to other funds	
- Debt service	1,692
- Capital projects	433
- Other purposes	3,425
Total Disbursements	<u><u>56,361</u></u>
Change in Fund Balance	<u>(723)</u>
Closing Fund Balance	<u><u>2,031</u></u>

**CASH FINANCIAL PLAN
STATE FUNDS
Executive Plan 2008-09
(millions of dollars)**

	2008-09 Executive Plan
Opening Fund Balance	6,413
Receipts:	
Taxes	63,904
Miscellaneous receipts	19,964
Federal grants	42
Total Receipts	83,910
Disbursements:	
Grants to local governments	56,761
State operations	15,263
General State charges	4,588
Debt service	4,652
Capital projects	4,708
Total Disbursements	85,972
Other financing sources (uses)	
Bond and note proceeds	473
Transfers from other funds	22,723
Transfers to other funds	(22,520)
Net other financing sources (uses)	676
Change in Fund Balance	(1,386)
Closing Fund Balance	5,027

**CASH FINANCIAL PLAN
ALL FUNDS
Executive Plan 2008-09
(millions of dollars)**

	2008-09 Executive Plan
Opening Fund Balance	<u>6,484</u>
Receipts:	
Taxes	63,904
Miscellaneous receipts	20,084
Federal grants	<u>35,956</u>
Total Receipts	<u>119,944</u>
Disbursements:	
Grants to local governments	86,276
State operations	18,737
General State charges	5,429
Debt service	4,652
Capital projects	<u>6,512</u>
Total Disbursements	<u>121,606</u>
Other Financing Sources (uses)	
Bond and note proceeds	473
Transfers from other funds	25,281
Transfers to other funds	<u>(25,371)</u>
Net other financing sources (uses)	<u>383</u>
Change in Fund Balance	<u>(1,279)</u>
Closing Fund Balance	<u>5,205</u>

SUMMARY OF LEGISLATIVE ACTIONS ON THE REVENUE PROVISIONS IN THE SFY 2008-09 EXECUTIVE BUDGET

Overview

The Enacted Budget contains a series of provisions that increases revenues by \$1.347 billion in State Fiscal Year (SFY) 2008-09. These proposals are offset by revenue reductions equaling \$59 million. In addition, Section 52 Subdivision 4 of the Legislative Law requires the Legislature to report on any action to continue, modify, or repeal any tax expenditure and are identified in the discussion below.

Legislative Action on the Executive Budget Proposals

The Legislature denied the following Executive revenue proposals which would have increased revenue by \$335 million in SFY 2008-09:

- amending the definition of residency under the PIT;
- imposing tax on non-residents on the gain from the sale of a real estate partnership interest;
- the expansion of the Quick Draw Lottery game;
- repeal of bad debt provisions in the sales tax;
- change the definition of commercial aircraft and the use tax provisions for automobiles initially registered out of state;
- increasing the alcoholic beverage tax on certain malt beverages;
- requiring tax stamps on illegal drugs;
- changing the tax treatment of Health Maintenance Organizations; and
- consolidating the state's taxes on motor fuels.

The Legislature also modified the following Executive revenue enhancement proposals:

- LLC minimum partner fees;
- make permanent reporting of tax shelters;
- voluntary disclosure and compliance program;
- limit tax exemptions for sales by non-profits;
- require sales tax vendors to re-register;
- western hemisphere travel initiative;
- credit card nexus;
- capital base;
- expand the New York State film credit; and
- conform tax treatment of little cigars;

The following proposals were accepted as submitted by the Executive:

- refund offsets;
- sales tax nexus;
- decoupling from Federal QPAI regulations;
- modify pre-payment requirements;
- extension of the MTA business tax surcharge;
- making permanent the law allowing for seven-day alcohol licenses;
- tax credit for use of bioheat;
- low income housing credit; and
- handicapped accessible taxis credit

Legislative Additions to the Executive Budget

The Legislature added a proposal to increase the state cigarette tax by \$1.25 per pack, increasing revenue by \$265 million in the current fiscal year. In addition, a proposal to change the method of taxation imposed on moist and dry snuff was added, increasing revenue by \$2 million annually.

The Enacted Budget rejected the Executive position to allow the current tax expenditure providing an investment tax credit for financial services companies to expire as of October 1, 2008, saving \$35 million in the current fiscal year. The Legislature extended this tax expenditure for another 3 years, until October 1, 2011.

The Legislature also extended certain provisions relating to qualified investment projects and significant investment projects under the Empire Zone program.

LEGISLATIVE ACTIONS AND ADDITIONS TO THE EXECUTIVE BUDGET
ALL GOVERNMENTAL FUNDS
(\$ Amounts in Millions)

REVENUE ENHANCEMENT PROPOSALS	Actions	Enacted 2008-09	Dif. From Exec. Budget	Enacted 2009-10	Dif. From Exec. Budget
Amend Definitions of Temporary Stay	Admin	-	-	-	(15)
Amend Definition of Presence in New York	Rejected	-	-	-	(5)
Tax Gain from Sale of Partnerships	Rejected	-	-	-	(10)
Refund Offsets	Accepted	1	0	1	-
Improve Audit and Compliance Efforts	Modified	487	207	239	(41)
LLC Minimum Partner Fees	Modified	85	10	85	10
Make Permanent Reporting of Tax Shelters	Modified	-	-	17	-
Repeal Bad Debt Provisions	Rejected	-	(7)	-	(9)
Limit Tax Exemptions for Sales by Non-Profits*	Modified	7	(2)	14	(1)
Close Loophole on Tax Avoidance	Rejected	-	(4)	-	(6)
Require Sales Tax Vendors to Re-register	Modified	10	(2)	35	(2)
Conform Tax Treatment of Little Cigars	Modified	4	-	5	-
Conform Tax Treatment of Flavored Malt Beverage	Rejected	-	(15)	-	(18)
Require Tax Stamp on Illegal Drugs	Rejected	-	(13)	-	(17)
Western Hemisphere Travel Initiative	Modified	69	16	26	6
Sales Tax Nexus	Accepted	50	3	73	-
REITS*	Modified	50	50	64	64
Credit Card Nexus	Modified	57	(38)	46	(29)
Conforming HMOs Taxation*	Rejected	-	(167)	-	(208)
Capital Base	Modified	102	4	82	12
Decoupling from Federal QPAI Regulations	Accepted	56	-	56	-
Simplify Taxation of Motor Fuel	Rejected	-	(13)	-	(56)
License Reader Enforcement	Admin	8	-	15	-
Modify March Pre-Payment Requirements	Accepted	95	-	-	-
Quick Draw Extension and Enhancement	Modified	-	(36)	-	-
Cigarette Tax Increase @ \$1.25	Added	265	265	296	296
Snuff Tobacco Products	Added	2	2	2	2
TOTAL REVENUE ENHANCEMENTS		1,347	\$260	\$1,055	(\$28)
REVENUE REDUCTION PROPOSALS	Actions	Enacted 2008-09	Dif. From Exec. Budget	Enacted 2009-10	Dif. From Exec. Budget
Encourage Alternative Fuel Production - Biofuel*	Accepted	-	-	(1)	-
Expand the New York State Film Credit*	Modified	(5)	-	(10)	-
Low Income Housing Credit*	Accepted	(4)	-	(4)	
Handicapped Accessible Taxicab Credit*	Accepted	0	-	(3)	
Power for Jobs Program*	Accepted	(15)	-	(5)	
Expiration of ITC for Financial Services*	Modified	(35)	(35)	(75)	(75)
TOTAL REVENUE REDUCTIONS		(\$59)	(\$35)	(98)	\$0
NET REVENUE ACTIONS		\$1,288	\$225	\$957	(\$28)

Differences are from the Executive estimates as contained in the 21-Day amendments.

* Tax Expenditures

SUMMARY OF THE REVENUE PROVISIONS CONTAINED IN THE ENACTED BUDGET

LLC Filing Fee and Corporate Minimum Tax Restructuring: This part restructures the LLC/LLP filing fee from the current \$50 per member fee to a fee based upon a company's New York income. This part also restructures the minimum tax imposed upon corporations from one based upon gross payroll in the State to one based upon gross income. (Part AA-1)

Recoupment of Intercept Fees: The Department of Taxation and Finance has reciprocal agreements with other states and the Federal government which allows the intercept of tax refunds from other states or the Federal government to pay outstanding debts of New York State. However, these other governmental entities charge a fee to the State, approximately \$22, for the costs associated with remitting the funds to New York. This part adopts the Executive's proposal to recoup these fees from the negligent taxpayer. (Part BB-1)

Voluntary Compliance and Disclosure: This part modifies the Executive's proposal to create a Voluntary Compliance and Disclosure Agreement Program for taxpayers and non-filers to voluntarily report deficiencies and file returns. In return, the Commissioner can waive penalties and possible criminal prosecution if the taxpayer properly complies. This part also includes a temporary voluntary compliance program that would allow certain taxpayers to report participation in tax shelter transactions. (Part CC-1)

Tax Shelter Provisions: This part extends the tax shelter reporting requirements, originally adopted in 2005, for an additional two years until July 1, 2011. (Part DD-1)

Credit Card Nexus: This part modifies the Executive's proposal to extend Bank Franchise Tax nexus to certain out of state banking corporations who have credit card customers in New York State. (Part EE-1)

REIT/RIC Loophole Expansion: This part adopts the Executive's proposal to require all captive REITs (Real Estate Investment Trusts) and captive RICs (Regulated Investment Companies) - in which New York State Banks or other corporations have over 50 percent ownership - to file a combined return with the closest corporation that directly or indirectly owns or controls them. The in state small bank exemption limit, which is currently \$8 billion in total New York assets, will now include out of state assets in the calculation. Also, this part requires the Department of Taxation and Finance to produce a study on the fiscal and economic effects of this change in law. This part will expire on January 1, 2011. (Part FF-1)

Capital Base Cap: This part increases the \$1 million limitation for non-manufacturers subject to the capital base to \$10 million for a three year period. This increase would be

slightly offset by a reduction in the capital base rate from 0.178 percent to 0.15 percent. The Legislature rejects the Executive proposal to change the definition of electric generators and distributors and thereby disqualify them for the lower manufacturers' cap of \$350,000. (Part GG-1)

QPAI Deduction Decouple: The Legislature accepts the Executive's proposal to decouple New York State Entire Net Income determination from the Federal Qualifying Production Activities Income (QPAI) deduction. The Internal Revenue Code allows an above the line deduction of seven percent (rising to nine percent in 2010) for manufacturing activities. This part would eliminate the flow through of the deduction for New York State and New York City taxpayers. (Part HH-1)

MTA Surcharge: This part enacts a four year extension of the 17 percent temporary tax surcharge imposed on the portion of the State's business taxes (Corporate Franchise, Corporation and Utilities, Bank and Insurance) allocated to the Metropolitan Commuter Transportation District. This tax, which is currently scheduled to sunset for taxable years ending on or before December 31, 2009, will now expire at the end of 2013. (Part II-1)

Modified First Installment Payment: The Legislature accepts the Executive's proposal to increase the installment payment due in a taxpayer's mandatory first quarterly payment from twenty-five to thirty percent. (Part JJ-1)

Sales Tax on Sales by Not-for-Profits: This part would require tax exempt organizations to collect sales tax on on-line, mail order catalogue, and rentals or leases of tangible personal property if certain conditions are met. (Part KK-1)

Vendor Registration: This part requires all current vendors to re-register and pay a "one-time" \$50 fee. Small vendors who file on an annual basis will not have to pay the fee when re-registering. (Part LL-1)

Classify Little Cigars as Cigarettes Under the Tax Law: This part amends the Executive's proposal to include little cigars in the definition of "cigarette" for both New York State and New York City tax purposes. (Part MM-1)

Seven Day Sales Permanent Extension: This part adopts the Executive's proposal to make the seven day sales license permanent and remove related reporting requirements that are no longer necessary. (Part NN-1)

Sales Tax Nexus for Internet Retailers: This part adopts the Executive's proposal to redefine "vendor" to include internet retailers that enter into contracts with New York residents to advertise for the internet retailer in return for a commission on sales resulting

from the followed link. If New York commissioned sales are more that \$10,000 annually, the internet retailer is “presumed” to be doing business in New York and will therefore have to charge a sales tax on all sales into the State. (Part OO-1)

QuickDraw/Loft Law: This part amends the Executive’s proposal by extending the Division of Lottery’s authority to operate Quick Draw for two years and extends the Loft Law for two years. (Part PP-1)

Moist/Dry Snuff Tax Base Change: This part changes the tobacco tax imposed on moist and dry snuff from a wholesale price tax to a weight based tax of ninety-six cents per ounce. (Part QQ-1)

Cigarette Tax: This part increases the cigarette tax by \$1.25 per pack, bringing the total tax per pack to \$2.75 in New York State and \$4.25 in New York City. (Part RR-1)

New York City Sales Tax: The Legislature authorizes the City of New York to impose a four percent sales and use tax levy on a permanent basis. This would maintain the current local rate of four percent beyond August 1, 2008, when the MAC dedicated sales tax is scheduled to revert to a three percent New York City sales tax. (Part SS-1)

Alcohol Tax Enforcement Provision: This part adopts the Executive’s proposal to make permanent the increased penalties and enhanced enforcement tools for more efficient collection of Alcoholic Beverage Taxes. (Part TT-1)

Require Certain Taxpayers to Electronically File: The Legislature modifies the Executive’s proposal to allow the Commissioner of Taxation and Finance to require that certain taxpayers file their tax returns and make payments electronically. These changes do not affect individual New York State and New York City personal income tax filers. Tax preparers, who prepared 100 or more corporate tax returns on or after January 1, 2007, are now required to file electronically. (Part UU-1)

Temporary Brownfields Moratorium: This part restricts the Department of Environmental Conservation from accepting any applications for the brownfield cleanup program for a ninety day period. (Part VV-1)

Empire State Film Production Tax Credit: This part increases the credit from ten percent to 30 percent of qualified production costs and extends the sunset to 2013. Additionally, the credit will be fully refundable and the cap will increase to \$65 million in 2008, \$75 million in 2009, \$85 million in 2010, \$90 million for both 2011 and 2012, and \$110 million in 2013. (Part WW-1)

Low Income Housing Credit: The Legislature authorizes an additional \$4 million in low-income housing credits for ten years. This would allow the Commissioner of Housing and Community Renewal to allocate a total of \$20 million in these credits per year. (Part XX-1)

Financial Services Investment Tax Credit: This part extends the Investment Tax Credit for Financial Services Firms, which is scheduled to sunset on October 1, 2008, for three more years. (Part YY-1)

Accessible Taxicabs: This part extends the existing tax credit for equipping taxicabs and livery service vehicles to be accessible for individuals with disabilities for two years until December 31, 2010. (Part ZZ-1)

Bioheat Credit: The SFY 2006-07 Adopted Budget included a personal income tax credit for costs associated with the use of bioheat for residential space heating or hot water production. This credit was equal to one cent per percentage of biodiesel per gallon of bioheat, capped at twenty cents per gallon. However, this credit was only effective for one year. This part adopts the Executive's proposal to reinstate the credit for four years, until 2012. (Part AAA-1)

Real Estate Syndication Fee: This part increases the maximum fee allowed for the Attorney General to impose on a Real Estate Syndication Offering from \$20,000 to \$30,000. The fee is four-tenths of one percent of the value of the offering. The money is used by the Attorney General to regulate public offerings of cooperatives and condominiums. (Part BBB-1)

Empire Zone Extension: This part amends the Empire Zone Program by extending the sunset of the certification date from December 31, 2007 to December 31, 2009 and providing delayed commencement of the wage tax credit for those companies making new capital investments of at least \$750 million and meeting a targeted job growth amount. Additionally, entities that previously qualified within this section of the tax law will have the ability to resubmit an application for certification as a related party by June 30, 2011. (Part CCC-1)

**THE FISCAL IMPACT OF THE SFY 2008-09 ENACTED BUDGET
ON LOCAL GOVERNMENTS**

These charts detail the primary impacts on localities from the State Fiscal Year (SFY) 2008-09 Enacted Budget by local fiscal years that end in 2008 and 2009 respectively. The charts measure both impacts that reflect policy driven changes over SFY 2007-08.

Fiscal Impact of the SFY 2008-09 Enacted Budget on Local Governments in Local Fiscal Years Ending in 2008

FISCAL IMPACT OF THE SFY 2008-09 ENACTED BUDGET ON LOCAL GOVERNMENTS (Local Fiscal Years ending in 2008 - \$ in Millions)						
Issue Area	Total	School NYC	School Districts	Other Counties	Other Cities	Towns & Villages
EDUCATION	0.0	0.0	0.0	0.0	0.0	0.0
Increase School Aid	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE ACTIONS	28.2	5.7	0.0	20.1	1.7	0.7
Sales Tax: Enforce Internet Collection; Limit Not-For-Profit Exemptions	27.1	5.7	0.0	19.1	1.7	0.6
Sales Tax: Increased Receipts from New Vendor Registration and Compliance	1.1	0.0	0.0	1.0	0.0	0.1
WELFARE	(19.6)	(8.1)	0.0	(11.5)	0.0	0.0
Discontinue Local Share of Federal Savings From Two Parent/Safety Net Shift	(3.0)	(1.3)	0.0	(1.7)	0.0	0.0
Enforce Existing Agreement on Adult Shelter Sanctions	(1.5)	(1.5)	0.0	0.0	0.0	0.0
Restore Enhanced Shelter Allowance for Certain Special Needs Households	(1.0)	(0.4)	0.0	(0.6)	0.0	0.0
Increase the Maximum Child Support Pass Through Disregard	(0.5)	(0.2)	0.0	(0.3)	0.0	0.0
2% Local Assistance Reductions	(13.6)	(4.7)	0.0	(8.9)	0.0	0.0
HEALTH	3.1	0.9	0.0	2.2	0.0	0.0
Restructure COLA for Early Intervention Providers	7.1	2.4	0.0	4.7	0.0	0.0
2% Local Assistance Reductions	(4.0)	(1.5)	0.0	(2.5)	0.0	0.0
TRANSPORTATION	33.5	3.2	0.0	23.7	2.7	3.9
Increase CHIPS Funding	19.7	1.8	0.0	11.3	2.7	3.9
Increase Transit Aid to NYC, Suffolk, Nassau, and Westchester	13.4	1.9	0.0	11.5	0.0	0.0
Increase Revenue to Counties from WHTI	2.8	0.0	0.0	2.8	0.0	0.0
2% Local Assistance Reductions	(2.4)	(0.5)	0.0	(1.9)	0.0	0.0
MUNICIPAL AID	15.8	0.0	0.0	(0.5)	14.5	1.8
Increase AIM and LGEG Funding	16.7	0.0	0.0	0.0	14.9	1.8
2% Local Assistance Reductions	(0.9)	0.0	0.0	(0.5)	(0.4)	0.0
PUBLIC PROTECTION/GENERAL GOVERNMENT	(2.6)	0.1	0.0	(2.6)	0.0	(0.1)
Increase Probation Aid and Re-Entry Initiative Funding	2.0	0.4	0.0	1.6	0.0	0.0
Reduce "DARE" and Local Criminal Justice Funding, and All Other Alternatives to Incarceration	(3.0)	(0.2)	0.0	(2.8)	0.0	0.0
Purchase of Global Positioning Systems (GPS) for Tracking Sex Offenders	1.2	0.5	0.0	0.7	0.0	0.0
2% Local Assistance Reductions	(0.8)	0.0	0.0	0.8	0.0	0.0
2% Local Assistance Reductions	(3.6)	(0.6)	0.0	(2.9)	0.0	(0.1)
ALL OTHER IMPACTS	1.4	(2.6)	2.4	1.7	0.3	(0.4)
Local NYSHIP Savings	5.4	0.0	2.4	2.2	0.4	0.4
Increase NYC's Charge for Personal Income Tax Administration	(2.6)	(2.6)	0.0	0.0	0.0	0.0
Reduce ORPS Local Assistance	(1.2)	0.0	0.0	(0.3)	(0.1)	(0.8)
2% Local Assistance Reductions	(0.2)	0.0	0.0	(0.2)	0.0	0.0
Subtotal 2008-09 Enacted Budget Actions	59.0	(0.9)	2.4	32.4	19.2	5.9
Medicaid Cap	243.6	114.7	0.0	128.9	0.0	0.0
Family Health Plus Takeover	442.1	297.1	0.0	145.0	0.0	0.0
Grand Total	744.7	410.9	2.4	306.3	19.2	5.9

Local Fiscal Impact Changes from the Executive Proposal in 2008

For local fiscal years ending in 2008 the net impact of changes to the Executive Budget was a decrease of \$37.1 million. The primary change includes the addition of and restorations to the Aid & Incentives for Municipalities (AIM) Program and the increase to Local Government Efficiency Grants (which increased the impact for counties by \$2 million). The Legislature rejected a phase-out of out-year Video Lottery Terminal (VLT) Aid to towns and villages (which reduced the impact for towns and villages by \$0.5 million).

Fiscal Impact of the SFY 2008-09 Enacted Budget on Local Governments in Local Fiscal Years Ending in 2009

FISCAL IMPACT OF THE SFY 2008-09 ENACTED BUDGET ON LOCAL GOVERNMENTS (Local Fiscal Year Ending in 2009 - \$ in Millions)						
Issue Area	Total	NYC	School Districts	Counties	Other Cities	Towns & Villages
EDUCATION	1,743.2	643.2	1,100.0	0.0	0.0	0.0
Increase School Aid	1,745.0	644.0	1,101.0	0.0	0.0	0.0
2% Local Assistance Reductions	(1.8)	(0.8)	(1.0)	0.0	0.0	0.0
REVENUE ACTIONS	86.3	15.4	0.0	57.5	7.1	6.3
Enforce Internet Sales Tax Collection; Limit Not-for-Profit Exemptions	71.4	26.5	0.0	36.5	4.5	3.9
Increased Receipts for New Vendor Registration and Compliance	39.9	13.9	0.0	21.0	2.6	2.4
Loss of Cigarette Tax Revenue	(25.0)	(25.0)	0.0	0.0	0.0	0.0
WELFARE	(48.6)	(33.0)	0.0	(15.6)	0.0	0.0
Discontinue Local Share of Federal Savings From Two Parent/Safety Net Shift	(7.5)	(5.3)	0.0	(2.2)	0.0	0.0
Enforce Existing Agreement on Adult Shelter Sanctions	(6.0)	(6.0)	0.0	0.0	0.0	0.0
Restore Enhanced Shelter Allowance for Certain Special Needs Households	(2.5)	(1.7)	0.0	(0.8)	0.0	0.0
Increase the Maximum Child Support Pass Through Disregard	(1.4)	(0.8)	0.0	(0.6)	0.0	0.0
2% Local Assistance Reductions	(31.2)	(19.2)	0.0	(12.0)	0.0	0.0
HEALTH	(3.3)	0.4	0.0	(3.7)	0.0	0.0
Restructure COLA for Early Intervention Providers	5.8	6.1	0.0	(0.3)	0.0	0.0
2% Local Assistance Reductions	(9.1)	(5.7)	0.0	(3.4)	0.0	0.0
MENTAL HYGIENE	(1.3)	(0.4)	0.0	(0.9)	0.0	0.0
2% Local Assistance Reductions	(1.3)	(0.4)	0.0	(0.9)	0.0	0.0
TRANSPORTATION	70.5	12.4	0.0	29.6	5.4	23.1
Increase CHIPS Funding	50.6	7.1	0.0	15.0	5.4	23.1
Increase Transit Aid to NYC, Suffolk, Nassau, and Westchester	22.7	7.4	0.0	15.3	0.0	0.0
Increase Revenue to Counties from WHTI	1.9	0.0	0.0	1.9	0.0	0.0
2% Local Assistance Reductions	(4.7)	(2.1)	0.0	(2.6)	0.0	0.0
MUNICIPAL AID	310.2	225.9	0.0	1.3	77.2	5.8
Increase AIM Funding and LGEG Funding	312.1	225.9	0.0	1.7	78.2	6.3
2% Local Assistance Reductions	(1.9)	0.0	0.0	(0.4)	(1.0)	(0.5)
PUBLIC PROTECTION/GENERAL GOVERNMENT	(3.6)	0.2	0.0	(3.3)	0.0	(0.5)
Increase Probation Aid and Re-Entry Initiative Funding	3.8	1.5	0.0	2.3	0.0	0.0
Reduce "DARE" and Local Criminal Justice Funding, and All Other Alternatives to Incarceration	(5.0)	(1.1)	0.0	(3.9)	0.0	0.0
Purchase of Global Positioning Systems (GPS) for Tracking Sex Offenders	1.0	0.0	0.0	1.0	0.0	0.0
2% Local Assistance Reductions	(6.4)	(2.3)	0.0	(3.6)	0.0	(0.5)
ALL OTHER IMPACTS	12.9	(6.5)	12.3	4.8	1.1	1.2
Wicks Law Reform	2.2	2.2	0.0	0.0	0.0	0.0
Local NYSHIP Savings	22.1	0.0	12.3	5.6	1.3	2.9
Increase NYC's Charge for Personal Income Tax Administration	(10.4)	(10.4)	0.0	0.0	0.0	0.0
Reduce OPRS Local Assistance	(2.9)	(0.4)	0.0	(0.6)	(0.2)	(1.7)
Provide AID to NYC for Purchase of Automated External Defibrillators	2.1	2.1	0.0	0.0	0.0	0.0
2% Local Assistance Reductions	(0.2)	0.0	0.0	(0.2)	0.0	0.0
Subtotal 2008-09 Enacted Budget Actions	2,166.3	857.6	1,112.3	69.7	90.8	35.9
Medicaid Cap	454.7	210.6	0.0	244.1	0.0	0.0
Family Health Plus Takeover	462.1	311.8	0.0	150.3	0.0	0.0
Grand Total	3,083.1	1,380.0	1,112.3	464.1	90.8	35.9

Local Fiscal Impact Changes from the Executive Proposal in 2009

For local fiscal years ending in 2009 the net impact of changes to the Executive Budget was an increase of \$356 million. The primary changes were the addition of \$280.2 million in school aid (which increased the impact for New York City by \$104.2 million and for other school districts by \$176 million). Other significant changes include the addition and restorations to the Aid & Incentives for Municipalities (AIM) Program (which increased the impact for New York City by \$85 million and other cities by \$11.6 million).