PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 27, 2024

NEW ISSUE — BOOK-ENTRY ONLY

$259,990,000*
NEW YORK STATE HOUSING FINANCE AGENCY
STATE PERSONAL INCOME TAX REVENUE BONDS
(ECONOMIC DEVELOPMENT AND HOUSING)

$74,975,000*	$185,015,000*
2024 Series A-1	2024 Series A-2
(Sustainability Bonds)	(Sustainability Bonds)

Dated: Date of Delivery **Due: As Shown on the Inside Cover Pages**

The New York State Housing Finance Agency State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2024 Series A-1 (Sustainability Bonds) (the "2024 Series A-1 Bonds") and the New York State Housing Finance Agency State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2024 Series A-2 (Sustainability Bonds) (the "2024 Series A-2 Bonds," and together with the 2024 Series A-1 Bonds, the "2024 Series A Bonds") are special obligations of the New York State Housing Finance Agency (the "Agency"). The 2024 Series A Bonds are secured by a pledge of certain financing agreement payments to be made to U.S. Bank Trust Company, National Association, as trustee and paying agent (the "Trustee") on behalf of the Agency by the State of New York (the "State") under a financing agreement (the "Financing Agreement") between the Agency and the State, acting by and through the Director of the Division of the Budget (the "Director of the Budget"). Financing agreement payments are payable from amounts legally required to be deposited into the Revenue Bond Tax Fund (as hereinafter defined) to provide for the payment of the 2024 Series A Bonds and all other State Personal Income Tax Revenue Bonds (as hereinafter defined). The Revenue Bond Tax Fund receives a statutory allocation of 50 percent of State personal income tax receipts imposed by Article 22 of the New York State Tax Law, 50 percent of employer compensation expense program receipts imposed by Article 24 of the New York State Tax Law, and 50 percent of pass-through entity tax receipts imposed by Article 24-A of the New York State Tax Law (collectively, the "Revenue Bond Tax Fund Receipts"). See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS—Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program."

The Agency is one of five Authorized Issuers (as hereinafter defined) that can issue State Personal Income Tax Revenue Bonds. All financing agreements entered into by the State to secure State Personal Income Tax Revenue Bonds shall be executory only to the extent of the revenues available in the Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement. Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the State Personal Income Tax.

The 2024 Series A Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall the 2024 Series A Bonds be payable out of any funds other than those of the Agency pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the 2024 Series A Bonds. The Agency has no taxing power.

The Agency has designated the 2024 Series A Bonds as "Sustainability Bonds." See "PART 5—DESIGNATION OF THE 2024 SERIES A BONDS AS SUSTAINABILITY BONDS."

The 2024 Series A-1 Bonds will be issued as fixed rate obligations, fully registered, in denominations of $5,000 or any integral multiple thereof. The 2024 Series A-2 Bonds will be issued initially in a Term Rate mode, fully registered, in denominations of $100,000 or any integral multiple of $5,000 in excess of $100,000. The 2024 Series A Bonds will bear interest at the rates and mature at the times shown on the inside cover pages hereof. Interest on the 2024 Series A Bonds is payable on each June 15 and December 15, commencing June 15, 2025.

The 2024 Series A Bonds will be initially issued under a book-entry only system and will be registered in the name of Cede & Co., as Bondholder and nominee of The Depository Trust Company, New York, New York ("DTC"). See "PART 9 — BOOK-ENTRY ONLY SYSTEM" herein. So long as Cede & Co., as nominee for DTC, is the registered owner of the 2024 Series A Bonds, payments of principal or redemption price of and interest on the 2024 Series A Bonds will be made by the Trustee and Paying Agent, to Cede & Co.

The 2024 Series A Bonds are subject to redemption prior to maturity as more fully described herein.

The 2024 Series A-2 Bonds are subject to mandatory tender for purchase as described herein.

In the opinions of Hawkins Delafield & Wood LLP and Pearlman & Miranda LLC, Co-Bond Counsel to the Agency, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2024 Series A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any 2024 Series A Bond for any period during which such 2024 Series A Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the 2024 Series A Bonds or a "related person" and (ii) interest on the 2024 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the 2024 Series A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Hawkins Delafield & Wood LLP and Pearlman & Miranda LLC, Co-Bond Counsel to the Agency, are of the further opinion that, under existing statutes, interest on the 2024 Series A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "PART 14—TAX MATTERS" herein.

The 2024 Series A Bonds are offered, when, as and if issued and delivered to the Underwriters (as defined herein), and are subject to approval of legality by Hawkins Delafield & Wood, LLP, New York, New York, and Pearlman & Miranda LLC, New York, New York, Co-Bond Counsel to the Agency, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that the 2024 Series A Bonds will be delivered in definitive form in New York, New York, on or about __________, 2024.

Jefferies

BofA Securities	**Raymond James**	**Siebert Williams Shank & Co., LLC**
AmeriVet Securities	**Bancroft Capital, LLC**	**BNY Mellon Capital Markets, LLC**
Drexel Hamilton, LLC	**J.P. Morgan**	**Morgan Stanley**
Oppenheimer & Co. Inc.	**Ramirez & Co., Inc.**	**Stern Brothers & Co.**

__________, 2024

* Preliminary, subject to change.

$259,990,000*
NEW YORK STATE HOUSING FINANCE AGENCY
STATE PERSONAL INCOME TAX REVENUE BONDS
(Economic Development and Housing)

Maturity Schedule

$74,975,000*
2024 Series A-1
(Sustainability Bonds)

$8,020,000* Serial Bonds

Due*	Amount*	Interest Rate	Yield	CUSIP No.†	Due*	Amount*	Interest Rate	Yield	CUSIP No.†
Dec. 15, 2027	$140,000	%	%		Dec. 15, 2032	$455,000	%	%	
June 15, 2028	225,000				June 15, 2033	470,000			
Dec. 15, 2028	230,000				Dec. 15, 2033	480,000			
June 15, 2029	360,000				June 15, 2034	495,000			
Dec. 15, 2029	390,000				Dec. 15, 2034	505,000			
June 15, 2030	400,000				June 15, 2035	520,000			
Dec. 15, 2030	410,000				Dec. 15, 2035	530,000			
June 15, 2031	425,000				June 15, 2036	545,000			
Dec. 15, 2031	435,000				Dec. 15, 2036	560,000			
June 15, 2032	445,000								

$3,675,000* __% Term Bond due December 15, 2039* Yield ___% CUSIP No.† _______
$7,520,000* __% Term Bond due December 15, 2044* Yield ___% CUSIP No.† _______
$9,690,000* __% Term Bond due December 15, 2049* Yield ___% CUSIP No.† _______
$46,070,000* __% Term Bond due June 15, 2054* Yield ___% CUSIP No.† _______

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP numbers are assigned by, and managed on behalf of the ABA by, an organization not affiliated with the Agency. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2024 Series A Bonds, and neither the Agency nor the Underwriters make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for a specific maturity are subject to being changed after the issuance of the 2024 Series A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2024 Series A Bonds.

$185,015,000*
2024 Series A-2
(Sustainability Bonds)

$114,235,000* 2024 Series A-2 Bonds due June 15, 2054*

Mandatory Tender Date for the Term Rate Term(1):	June 15, 2029*
Interest Rate:	___%
Earliest Redemption or Mandatory Tender Date:	April 15, 2027*
Price	___%
CUSIP No.†	

$70,780,000* 2024 Series A-2 Bonds due June 15, 2054*

Mandatory Tender Date for the Term Rate Term(2):	December 15, 2030*
Interest Rate:	___%
Earliest Redemption or Mandatory Tender Date:	December 15, 2028*
Price	___%
CUSIP No.†	

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* Preliminary, subject to change.

(1) These 2024 Series A-2 Bonds are subject to mandatory tender for purchase (with no right to retain) on June 15, 2029* or such earlier date on or after April 15, 2027* as determined by the Agency for all or a portion of such 2024 Series A-2 Bonds.

(2) These 2024 Series A-2 Bonds are subject to mandatory tender for purchase (with no right to retain) on December 15, 2030* or such earlier date on or after December 15, 2028* as determined by the Agency for all or a portion of such 2024 Series A-2 Bonds.

† CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP numbers are assigned by, and managed on behalf of the ABA by, an organization not affiliated with the Agency. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2024 Series A Bonds, and neither the Agency nor the Underwriters make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for a specific maturity are subject to being changed after the issuance of the 2024 Series A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2024 Series A Bonds.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2024 Series A Bonds, by any person in any jurisdiction in which it is unlawful for the person to make such offer, solicitation or sale. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in the Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information set forth herein has been provided by the Agency, the State and other sources which are believed to be reliable by the Agency and with respect to the information supplied or authorized by the State and information provided by such other sources, is not to be construed as a representation by the Agency. The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Agency or the State. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE 2024 SERIES A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE STATE'S FINANCIAL RESULTS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD-LOOKING STATEMENTS.

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PART 1 — SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the 2024 Series A Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Summary Statement and not defined in this Summary Statement will have the meanings given to such terms elsewhere in this Official Statement.

State Personal Income Tax Revenue Bond Financing Program	Part I of Chapter 383 of the Laws of New York of 2001, as amended from time to time (the "Enabling Act"), provides for the issuance of, and a source of payment for, State Personal Income Tax Revenue Bonds (the "State Personal Income Tax Revenue Bonds") by establishing the Revenue Bond Tax Fund (the "Revenue Bond Tax Fund") held separate and apart from all other moneys of the State in the joint custody of the State Commissioner of Taxation and Finance (the "Commissioner") and the Comptroller of the State (the "State Comptroller"). The Enabling Act authorizes the New York State Housing Finance Agency ("the Agency"), the New York State Environmental Facilities Corporation, the Dormitory Authority of the State of New York, the New York State Thruway Authority and the New York State Urban Development Corporation, doing business as Empire State Development (collectively, the "Authorized Issuers") to issue State Personal Income Tax Revenue Bonds for certain Authorized Purposes (as hereinafter defined). All five Authorized Issuers have adopted one or more general resolutions and have executed financing agreements with the Director of the Division of the Budget (the "Director of the Budget") pursuant to the Enabling Act. The financing agreements and the general resolutions for State Personal Income Tax Revenue Bonds issued by the Authorized Issuers have substantially identical terms except for applicable references to, and requirements of, the Authorized Issuer and the Authorized Purposes. References to financing agreements, financing agreement payments and general resolutions contained in this Official Statement mean generically the financing agreements, financing agreement payments and general resolutions of all Authorized Issuers, including the Agency. State Personal Income Tax Revenue Bonds issued by an Authorized Issuer are secured solely by a pledge of (i) the payments made pursuant to a financing agreement entered into by such Authorized Issuer with the Director of the Budget and (ii) certain funds held by the applicable trustee or Authorized Issuer under a general resolution and the investment earnings thereon, which together constitute the pledged property under the applicable general resolution.
Purposes of Issue	The 2024 Series A Bonds are being issued for the purpose of financing the Authorized Purpose of making mortgage loans for the construction or acquisition and rehabilitation of certain multi-family rental housing projects as described herein. For a more complete description of the expected application of proceeds of the 2024 Series A Bonds, see "PART 8—APPLICATION OF PROCEEDS" herein.

Sources of Payment and Security for State Personal Income Tax Revenue Bonds — Revenue Bond Tax Fund Receipts	State Personal Income Tax Revenue Bonds are payable from financing agreement payments made by the State, subject to annual appropriation. The Revenue Bond Tax Fund receives a statutory allocation of (i) 50 percent of State personal income tax receipts imposed by Article 22 of the New York State Tax Law, excluding refunds owed to taxpayers (the "New York State Personal Income Tax Receipts"), (ii) 50 percent of employer compensation expense program receipts imposed by Article 24 of the New York State Tax Law, excluding refunds owed to employers (the "New York State ECEP Receipts"), and (iii) effective April 1, 2021 (as described below), 50 percent of pass-through entity tax receipts imposed by Article 24-A of the New York State Tax Law, excluding refunds owed to taxpayers (the "New York State PTET Receipts"). The New York State Personal Income Tax Receipts, the New York State ECEP Receipts, and the New York State PTET Receipts are sometimes collectively referred to herein as the "Revenue Bond Tax Fund Receipts". See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS." Effective April 1, 2021, pursuant to legislative changes, the sources of payment of the State Personal Income Tax Revenue Bonds and the statutory allocation of tax revenues payable to the Revenue Bond Tax Fund were changed to add, as a new source of payment, 50 percent of the New York State PTET Receipts from the New York State Pass-Through Entity Tax Program (the "PTET"). These changes were made as part of the State's continuing response to Federal tax law changes. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS—Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program." The State Comptroller is required by the Enabling Act to deposit in the Revenue Bond Tax Fund all of the receipts collected from payroll withholding taxes (the "Withholding Component") until an amount equal to 50 percent of the estimated monthly New York State Personal Income Tax Receipts has been deposited into the Revenue Bond Tax Fund. The State Comptroller is also required by the Enabling Act to deposit in the Revenue Bond Tax Fund all of the receipts from the ECEP until 50 percent of the estimated monthly New York State ECEP Receipts have been deposited into the Revenue Bond Tax Fund, and all of the receipts from the PTET until 50 percent of the estimated monthly New York State PTET Receipts have been deposited into the Revenue Bond Tax Fund. New York State Personal Income Tax Receipts, New York State PTET Receipts, New York State ECEP Receipts, and the Revenue Bond Tax Fund Receipts for State Fiscal Years 2022-23 through 2024-25 are as follows (dollars in millions):

State Fiscal Year	New York State Personal Income Tax Receipts	New York State PTET Receipts	New York State ECEP Receipts	Revenue Bond Tax Fund Receipts
2022-23	$58,776	$14,944	$ 7	$36,863
2023-24	53,840	13,955	13	33,904
2024-25*	56,994	14,748	15	35,879

* As estimated in the Fiscal Year 2025 Enacted Budget Financial Plan.

For information related to the State see "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK."

The 2024 Series A Bonds are special obligations of the Agency, being secured by a pledge of financing agreement payments to be made by the State Comptroller to the Trustee on behalf of the Agency and certain funds held by the Trustee under the Agency's State Personal Income Tax Revenue Bonds (Economic Development and Housing) General Bond Resolution (the "General Resolution").

The 2024 Series A Bonds are issued on a parity with all other Bonds which may be issued under the General Resolution. All State Personal Income Tax Revenue Bonds, of which $40.2 billion were outstanding as of August 31, 2024, are on a parity with each other as to payments from the Revenue Bond Tax Fund, subject to annual appropriation by the State.

Financing agreement payments are made from Revenue Bond Tax Fund Receipts (as described herein). The financing agreement payments are to be paid by the State Comptroller to the applicable trustees on behalf of the Authorized Issuers from amounts deposited to the Revenue Bond Tax Fund. Financing agreement payments are to equal amounts necessary to pay the debt service and other cash requirements on all State Personal Income Tax Revenue Bonds. **All payments required by financing agreements entered into by the State are executory only to the extent of the revenues available in the Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement.**

The Enabling Act provides that: (i) no person (including the Authorized Issuers or the holders of State Personal Income Tax Revenue Bonds) shall have any lien on amounts on deposit in the Revenue Bond Tax Fund; (ii) Revenue Bond Tax Fund Receipts, which have been set aside in sufficient amounts to pay when due the financing agreement payments of all Authorized Issuers, shall remain in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments; and (iii) nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the Revenue Bond Tax Fund Receipts. For additional information, see "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME

	TAX REVENUE BONDS" and "PART 4—SOURCES OF REVENUE BOND TAX FUND RECEIPTS." **The 2024 Series A Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall the 2024 Series A Bonds be payable out of any funds other than those of the Agency pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, the premium, if any, or interest on the 2024 Series A Bonds. The Agency has no taxing power.** **The 2024 Series A Bonds are not secured by any mortgage on, any revenues from, or any other interest in, capital works or purposes authorized to be financed or refinanced with proceeds of the 2024 Series A Bonds.**
Set-Aside for Purpose of Making Financing Agreement Payments	The Enabling Act, general resolutions and financing agreements provide procedures for setting aside Revenue Bond Tax Fund Receipts designed to ensure that sufficient amounts are available in the Revenue Bond Tax Fund to make financing agreement payments to the applicable trustees on behalf of all Authorized Issuers, subject to annual appropriation by the State Legislature. The Enabling Act requires the Director of the Budget to annually prepare a certificate (which may be amended as necessary or required) which estimates monthly Revenue Bond Tax Fund Receipts anticipated to be deposited to the Revenue Bond Tax Fund and the amount of all set-asides necessary to make all financing agreement payments of all the Authorized Issuers. The Director of the Budget has prepared such certificate for State Fiscal Year 2024-25. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS."
Availability of General Fund to Satisfy Set-Aside of Revenue Bond Tax Fund Receipts	If at any time the amount of Revenue Bond Tax Fund Receipts set aside, as certified by the Director of the Budget, is insufficient to make all certified financing agreement payments on all State Personal Income Tax Revenue Bonds, the State Comptroller is required by the Enabling Act, without appropriation, to immediately transfer amounts from the General Fund of the State (the "General Fund") to the Revenue Bond Tax Fund sufficient to satisfy the cash requirements of the Authorized Issuers.
Moneys Held in Revenue Bond Tax Fund if State Fails to Appropriate or Pay Required Amounts	In the event that: (i) the State Legislature fails to appropriate all amounts required to make financing agreement payments on State Personal Income Tax Revenue Bonds to all Authorized Issuers or (ii) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, financing agreement payments have not been made when due on any State Personal Income Tax Revenue Bonds, the Enabling Act requires that all of the New York State Personal Income Tax Receipts from the Withholding Component, all of the New York State ECEP Receipts, and all of the New York State PTET Receipts shall continue to be deposited in the Revenue Bond Tax Fund until amounts on deposit in the Revenue Bond Tax Fund equal the greater of 40 percent of the aggregate of the annual New York State Personal Income Tax Receipts, New York State ECEP Receipts and New York State PTET Receipts or twelve billion dollars ($12,000,000,000). Other than to make financing agreement payments from appropriated amounts, the Enabling Act prohibits the transfer of moneys in the Revenue Bond Tax Fund to any other fund or account or the use of such moneys by the State for any other purpose (except, if necessary, for payments

	authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees, on behalf of each Authorized Issuer, including the Agency. After the required appropriations and financing agreement payments have been made, excess moneys in the Revenue Bond Tax Fund are to be paid over and distributed to the credit of the General Fund. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS—Moneys Held in the Revenue Bond Tax Fund."
Additional Bonds and Debt Service Coverage	The Enabling Act and each of the general resolutions permit the Authorized Issuers to issue additional State Personal Income Tax Revenue Bonds subject to (a) statutory limitations on the maximum amount of bonds permitted to be issued by Authorized Issuers for particular Authorized Purposes and (b) the additional bonds test described below and included in each general resolution authorizing State Personal Income Tax Revenue Bonds. As provided in the General Resolution, and in each of the general resolutions of the other Authorized Issuers, additional State Personal Income Tax Revenue Bonds may be issued only if the amount of Revenue Bond Tax Fund Receipts for any 12 consecutive calendar months ended not more than six months prior to the date of such calculation, as certified by the Director of the Budget, is at least 2.0 times the maximum Calculated Debt Service on all outstanding State Personal Income Tax Revenue Bonds, the additional State Personal Income Tax Revenue Bonds proposed to be issued and any additional amounts payable with respect to parity reimbursement obligations. In accordance with the additional bonds debt service coverage test described above, Revenue Bond Tax Fund Receipts of approximately $35.4 billion are available to pay financing agreement payments on a pro forma basis, which amount represents approximately 9.3x* times the maximum annual Debt Service for all outstanding State Personal Income Tax Revenue Bonds, including the debt service on the 2024 Series A Bonds. While additional State Personal Income Tax Revenue Bonds are expected to continue to be issued by Authorized Issuers for Authorized Purposes as noted herein, in no event may any additional State Personal Income Tax Revenue Bonds (other than certain refunding bonds) be issued unless the additional bonds test under the respective general resolution has been satisfied. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS—Additional Bonds" and "PART 4—SOURCES OF REVENUE BOND TAX FUND RECEIPTS—Projected Debt Service Coverage." As of August 31, 2024, approximately $40.2 billion of State Personal Income Tax Revenue Bonds were outstanding.

* Preliminary, subject to change.

Appropriation by State Legislature	The State Legislature is expected to make appropriations annually from amounts on deposit in the Revenue Bond Tax Fund sufficient to pay annual financing agreement payments when due. Revenue Bond Tax Fund Receipts are expected to exceed the amounts necessary to pay financing agreement payments. Such an appropriation has been enacted for State Fiscal Year 2024-25. Pursuant to Article VII Section 16 of the State Constitution, if at any time the State Legislature fails to make an appropriation for State general obligation debt service, the State Comptroller is required to set apart from the first revenues thereafter received, applicable to the General Fund, sums sufficient to pay debt service on such general obligation bonds. In the event that such revenues and other amounts in the General Fund are insufficient to pay State general obligation bondholders, the State may also use amounts on deposit in the Revenue Bond Tax Fund as well as other funds to pay debt service on State general obligation bonds. The New York State Division of the Budget (the "Division of the Budget") is not aware of any existing circumstances that would cause Revenue Bond Tax Fund Receipts to be used to pay debt service on State general obligation bonds in the future. The Director of the Budget believes that any failure by the State Legislature to make annual appropriations as contemplated would have a serious impact on the ability of the State and the Authorized Issuers to issue State-supported bonds to raise funds in the public credit markets.
Continuing Disclosure	In order to assist the Underwriters of the 2024 Series A Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), all Authorized Issuers, the State and each applicable trustee, including the Trustee, have entered into a Master Disclosure Agreement (as hereinafter defined). See "PART 20—CONTINUING DISCLOSURE" and "APPENDIX D—EXECUTED COPY OF MASTER CONTINUING DISCLOSURE AGREEMENT."

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OFFICIAL STATEMENT

Relating to

$259,990,000*
NEW YORK STATE HOUSING FINANCE AGENCY
STATE PERSONAL INCOME TAX REVENUE BONDS
(ECONOMIC DEVELOPMENT AND HOUSING)

$74,975,000*	**$185,015,000***
2024 Series A-1	**2024 Series A-2**
(Sustainability Bonds)	**(Sustainability Bonds)**

PART 2 —INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover pages, Summary Statement and appendices, is to set forth certain information concerning the State of New York (the "State") and the New York State Housing Finance Agency (the "Agency"), a corporate governmental agency, constituting a public benefit corporation, in connection with the offering by the Agency of its $74,975,000* State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2024 Series A-1 (Sustainability Bonds) (the "2024 Series A-1 Bonds") and $185,015,000* State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2024 Series A-2 (Sustainability Bonds) (the "2024 Series A-2 Bonds," and together with the 2024 Series A-1 Bonds, the "2024 Series A Bonds"). The interest rates, maturity dates, principal amounts, and prices or yields of the 2024 Series A Bonds being offered hereby are set forth on the inside cover pages of this Official Statement.

This Official Statement also summarizes certain information concerning the provisions of the State Finance Law with respect to the issuance of State Personal Income Tax Revenue Bonds (the "State Personal Income Tax Revenue Bonds"), including the 2024 Series A Bonds, and the statutory allocation of 50 percent of the receipts from the New York State Personal Income Tax (the "New York State Personal Income Tax Receipts") imposed by Article 22 of the New York State Tax Law ("Tax Law") which are required to be deposited in the Revenue Bond Tax Fund to provide for the payment of State Personal Income Tax Revenue Bonds. Under current law, such New York State Personal Income Tax Receipts exclude refunds owed to taxpayers. In addition, 50 percent of the receipts from the New York State Employer Compensation Expense Program (the "New York State ECEP Receipts") imposed by Article 24 of the Tax Law are required to be deposited in the Revenue Bond Tax Fund to provide for the payment of State Personal Income Tax Revenue Bonds. New York State ECEP Receipts exclude refunds owed to employers. In addition, 50 percent of the receipts from the New York State Pass-through Entity Tax Program (the "New York State PTET Receipts") imposed by Article 24-A of the Tax Law are required to be deposited in the Revenue Bond Tax Fund to provide for the payment of State Personal Income Tax Revenue Bonds. New York State PTET Receipts exclude refunds owed to taxpayers. The New York State Personal Income Tax Receipts, the New York State ECEP Receipts and the New York State PTET Receipts deposited for the payment of State Personal Income Tax Revenue Bonds are sometimes collectively referred to herein as the "Revenue Bond Tax Fund Receipts." See "PART 3— SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE

* Preliminary, subject to change.

BONDS—The Revenue Bond Tax Fund" and "—Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program."

The State expects that State Personal Income Tax Revenue Bonds together with the State Sales Tax Revenue Bonds will be the primary financing vehicles for financing State-supported programs over the current financial plan period. State Sales Tax Revenue Bonds are authorized to be issued for certain authorized purposes pursuant to Article 5-F and Article 6 (Section 92-h) of the State Finance Law by DASNY, the New York State Urban Development Corporation, doing business as Empire State Development, and the New York State Thruway Authority.

The legislation creating the Agency determined the purpose thereof to be, in part, the providing of safe and sanitary housing accommodations, at rentals which families and persons of low income can afford, and which the ordinary operations of private enterprise cannot provide. The Agency has no taxing power. See "PART 12—THE AGENCY."

The 2024 Series A Bonds are authorized to be issued pursuant to the Enabling Act and the New York State Housing Finance Agency Act, Article III of the Private Housing Finance Law of the State of New York, as amended (the "Agency Act" and together with the Enabling Act, the "Authorizing Legislation").

The Enabling Act authorizes the Agency, the New York State Urban Development Corporation, doing business as Empire State Development, the New York State Environmental Facilities Corporation, the Dormitory Authority of the State of New York and the New York State Thruway Authority (collectively, the "Authorized Issuers") to issue State Personal Income Tax Revenue Bonds for certain purposes for which State-supported Debt (as defined by Section 67-a of the State Finance Law and as limited by the Enabling Act) may be issued ("Authorized Purposes").

The 2024 Series A Bonds are additionally authorized under the Agency's State Personal Income Tax Revenue Bonds (Economic Development and Housing) General Bond Resolution, adopted by the Agency on February 6, 2003 (the "General Resolution"), as supplemented by the Agency's 2024 Series A State Personal Income Tax Revenue Bonds (Economic Development and Housing) Series Resolution, adopted on September 12, 2024 (the "2024 Series A Resolution") (such General Resolution, together with the 2024 Series A Resolution, being herein, except as the context otherwise indicates, collectively referred to as the "Resolution"). Any bonds issued pursuant to the General Resolution, including the 2024 Series A Bonds, are referred to herein as the "Bonds". The Agency has issued prior Series of Bonds under the General Resolution, all of which are no longer Outstanding.

The 2024 Series A Bonds, and any additional series of Bonds which may hereafter be issued under the General Resolution, will be equally and ratably secured thereunder. The 2024 Series A Bonds and all other State Personal Income Tax Revenue Bonds which have heretofore been issued or may be issued by an Authorized Issuer are secured by a pledge of (i) the payments made pursuant to one or more financing agreements entered into by such Authorized Issuer with the Director of the Budget and (ii) certain funds held by the applicable trustee or Authorized Issuer under the applicable general resolution and the investment earnings thereon ((i) and (ii) being collectively referred to herein as the "Pledged Property" with respect to each such Authorized Issuer, including the Agency). The financing agreements and the general resolutions for State Personal Income Tax Revenue Bonds adopted by the Authorized Issuers have substantially identical terms except for applicable references to, and requirements of, the Authorized Issuer and the Authorized Purposes. The financing agreement payments are required to be equal to the amounts necessary to pay the debt service and other cash requirements on all State Personal Income Tax Revenue Bonds. The making of financing agreement payments to the Authorized Issuers is subject to annual appropriation by the State Legislature.

References to financing agreements, financing agreement payments and general resolutions contained in this Official Statement mean generically the financing agreements, financing agreement payments and general resolutions of all Authorized Issuers, including the Agency. Descriptions of the provisions of the Enabling Act contained in this Official Statement are of the Enabling Act as it exists on the date of this Official Statement.

All State Personal Income Tax Revenue Bonds are on a parity with each other as to payments from the Revenue Bond Tax Fund, subject to annual appropriation by the State Legislature. As of August 31, 2024, approximately $40.2 billion of State Personal Income Tax Revenue Bonds were outstanding. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS—2024 Series A Bonds" and "—Additional Bonds."

The 2024 Series A Bonds are being issued for the purpose of financing the Authorized Purpose of making mortgage loans for the construction or acquisition and rehabilitation of certain multi-family rental housing projects as described herein. For a more complete description of the expected application of proceeds of the 2024 Series A Bonds, see "PART 5—DESIGNATION OF THE 2024 SERIES A BONDS AS SUSTAINABILITY BONDS" and "PART 8—APPLICATION OF PROCEEDS" herein. **The 2024 Series A Bonds are not secured by any mortgage on, any revenues from, or any other interest in, capital works or purposes authorized to be financed or refinanced with proceeds of the 2024 Series A Bonds.**

Pursuant to the Authorizing Legislation, the Agency and the State entered into a financing agreement dated as of March 25, 2003, as amended as of March 10, 2005 (the "Financing Agreement"). See "APPENDIX C—FORM OF FINANCING AGREEMENT."

The revenues, facilities, properties and any and all other assets of the Agency of any name and nature, other than the Pledged Property, may not be used for, or, as a result of any court proceeding or otherwise applied to, the payment of State Personal Income Tax Revenue Bonds, any redemption premium therefor or the interest thereon or any other obligations under the Resolution, and under no circumstances shall these be available for such purposes. See "PART 12—THE AGENCY" for a further description of the Agency.

The 2024 Series A Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall the 2024 Series A Bonds be payable out of any funds other than those of the Agency pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the 2024 Series A Bonds. The Agency has no taxing power.

Capitalized terms used herein unless otherwise defined have the same meaning as ascribed to them in the General Resolution. See "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION."

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PART 3 —SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS

The Revenue Bond Tax Fund

The Enabling Act provides a source of payment for State Personal Income Tax Revenue Bonds by establishing the Revenue Bond Tax Fund for the purpose of setting aside Revenue Bond Tax Fund Receipts sufficient to make financing agreement payments to Authorized Issuers. The Enabling Act establishes the Revenue Bond Tax Fund to be held in the joint custody of the State Comptroller and the Commissioner of Taxation and Finance (the "Commissioner") and requires that all moneys on deposit in the Revenue Bond Tax Fund be held separate and apart from all other moneys in the joint custody of the State Comptroller and the Commissioner. The source of the financing agreement payments is a statutory allocation of 50 percent of the receipts from the New York State Personal Income Tax imposed by Article 22 of the Tax Law, which exclude refunds owed to taxpayers, 50 percent of the receipts from the ECEP imposed by Article 24 of the Tax Law, which exclude refunds owed to employers, and 50 percent of the receipts from the PTET imposed by Article 24-A of the Tax Law, which exclude refunds owed to taxpayers, the aggregate of which, pursuant to Section 171-a of the Tax Law, is deposited in the Revenue Bond Tax Fund. See "PART 4—SOURCES OF REVENUE BOND TAX FUND RECEIPTS—Revenue Bond Tax Fund Receipts."

Financing agreement payments made from amounts set aside in the Revenue Bond Tax Fund are subject to annual appropriation for such purpose by the State Legislature. The Enabling Act provides that: (i) no person (including the Authorized Issuers or the holders of State Personal Income Tax Revenue Bonds) shall have any lien on amounts on deposit in the Revenue Bond Tax Fund; (ii) Revenue Bond Tax Fund Receipts, which have been set aside in sufficient amounts to pay when due the financing agreement payments of all Authorized Issuers, shall remain in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments; and (iii) nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed by Articles 22, 24 and 24-A of the Tax Law.

Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program

On December 22, 2017, then President Trump signed into law the Tax Cuts and Jobs Act of 2017 (the "TCJA") (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which were effective in tax year 2018. The TCJA made extensive changes to Federal personal income taxes, corporate income taxes, and estate taxes. The State has since enacted legislation, described below, to mitigate the negative impact of the TCJA on State taxpayers, which have impacted the State Personal Income Tax Revenue Bond Financing Program.

To offset the potential reduction in New York State Personal Income Tax Receipts, the Fiscal Year ("FY") 2019 Enacted Budget amended the State Finance Law and the Enabling Act so as to hold harmless the State Personal Income Tax Revenue Bond Financing Program. Accordingly, the enacted legislation provided for:

1. An increase from 25 percent to 50 percent in the statutory allocation of New York State Personal Income Tax Receipts imposed by Article 22 of the Tax Law, which exclude refunds owed to taxpayers, that is required to be deposited in the Revenue Bond Tax Fund to provide for the payment of State Personal Income Tax Revenue Bonds.

2. An increase in the statutory maximum amount of the New York State Personal Income Tax Receipts and New York State ECEP Receipts required to be deposited to the Revenue Bond Tax Fund to be the greater of the aggregate of 40 percent of the annual New York State Personal Income Tax Receipts and New York State ECEP Receipts or $12 billion in the event that the State Legislature either fails to appropriate or, once appropriated, fails to pay, amounts sufficient to make financing agreement payments for outstanding New York State Personal Income Tax Revenue Bonds (the "Maximum Revenue Bond Tax Fund Deposit"). Prior to the

State legislative changes, the amount required to be deposited was the greater of 25 percent of the annual New York State Personal Income Tax Receipts or $6 billion.

Employer Compensation Expense Program (ECEP) / Charitable Gifts Trust Fund. State tax reforms enacted in 2018 to mitigate issues arising from the TCJA included the creation of an optional payroll tax program (the "ECEP"), and establishment of a new State Charitable Gifts Trust Fund. The ECEP and the Charitable Gifts Trust Fund were expected to reduce New York State Personal Income Tax Receipts, to the extent that employers elected to participate in the ECEP and taxpayers made donations to the Charitable Gifts Trust Fund.

The ECEP was created pursuant to Article 24 of the Tax Law, and a corresponding amendment to the Enabling Act provided that 50 percent of New York State ECEP Receipts, which exclude refunds owed to employers, be deposited into the Revenue Bond Tax Fund. The ECEP establishes an optional tax on payroll expenses that employers can elect to pay if they have employees that earn over $40,000 annually in the State. Accompanying State legislation created a new personal income tax credit for employees whose wages are subject to the ECEP. The credit is calculated using a statutory formula that corresponds in value to the tax imposed by the ECEP. As a result, aggregate receipts deposited to the Revenue Bond Tax Fund are expected to remain substantially the same regardless of the amount of New York State ECEP Receipts. Therefore, from a Revenue Bond Tax Fund perspective, the ECEP was expected to be revenue neutral.

The State Charitable Gifts Trust Fund was created to accept gifts for the purposes of improving health care and education in the State and allowing taxpayers who itemize deductions to claim a Personal Income Tax deduction. The State legislation also created a Personal Income Tax credit equal to 85 percent of the donation amount. However, subsequent IRS regulatory action effectively curtailed further donations to the Charitable Gifts Trust Fund beyond the $93 million in donations the State received in 2018. As a result, the State does not expect that the Charitable Gifts Trust Fund will have a material impact on the Personal Income Tax Revenue Bond Program or on amounts deposited into the Revenue Bond Tax Fund unless (i) the State were to prevail in a 2019 lawsuit filed by the State and joined by Connecticut and New Jersey seeking to restore the full federal income tax deduction for charitable contributions, regardless of the amount of any state tax credit provided to taxpayers as a result of contributions made to the Charitable Gifts Trust Fund, and (ii) the federal limitations on the deductibility of state and local tax payments ("SALT"), which are currently scheduled to expire on December 31, 2025, are extended by Congress. Accordingly, projections of New York State Personal Income Tax Receipts do not include an estimate of charitable donations or the impact of such donations on Revenue Bond Tax Fund Receipts.

Pass-Through Entity Tax. In connection with the FY 2022 Enacted Budget, the State Legislature enacted legislation that provides for an optional pass-through entity tax (the "PTET") on the State-sourced income of (i) partnerships and (ii) S corporations. Qualifying entities that elect to pay PTET pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders receive a refundable tax credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows reciprocity with other states that have implemented substantially similar taxes, which currently include Connecticut and New Jersey.

The New York State Division of the Budget (the "Division of the Budget") expects that the PTET legislation will be revenue neutral for the State on a multi-year basis; however, because PTET payments will generally be received in the fiscal year prior to credit claiming, the PTET will not be revenue-neutral for the State within each fiscal year and redistribution of total revenue across fiscal years is expected to be significant. To hold harmless the Revenue Bond Tax Fund and to maintain a comparable level of deposits to the Revenue Bond Tax Fund for the Bondholders, the State Legislature also enacted legislation that causes 50 percent of receipts from the PTET to be deposited into the Revenue Bond Tax Fund. Accordingly, aggregate contributions to the Revenue Bond Tax Fund are expected to be unaffected because 50 percent of both New York State Personal Income Tax Receipts and New York State PTET Receipts will be deposited into the Revenue Bond Tax Fund.

The Fiscal Year 2025 Enacted Budget Financial Plan includes estimates for New York State PTET Receipts and a corresponding decrease in New York State Personal Income Tax Receipts. The overall impact on projected Revenue Bond Tax Fund Receipts is that PTET increased FY 2022 receipts, decreased FY 2023 receipts by a significant amount, decreased FY 2024 receipts and is expected to increase FY 2025 receipts. Projections are, however, based on limited experience to date, and there can be no assurance that such projections will be realized.

The U.S. Treasury Department and IRS have determined that State and local income taxes imposed on and paid by a partnership or an S corporation on its income, such as the PTET, are allowable as a Federal deduction to taxable income, and in November 2020, the IRS released Notice 2020-75 which announced that the Treasury and IRS intend to issue clarifying regulations with respect to such pass-through taxes.

2024 Series A Bonds

The 2024 Series A Bonds are special obligations of the Agency, secured by and payable from financing agreement payments payable by the State Comptroller to U.S. Bank Trust Company, National Association, New York, New York, as Trustee and Paying Agent (the "Trustee" or "Paying Agent") on behalf of the Agency in accordance with the terms and provisions of the Financing Agreement, subject to annual appropriation by the State Legislature, and the Funds and accounts established under the General Resolution (other than the Rebate Fund and other Funds established pursuant to a Supplemental Resolution) and the investment earnings thereon (the "Pledged Property"). A copy of the Financing Agreement relating to the 2024 Series A Bonds is included as "APPENDIX C—FORM OF FINANCING AGREEMENT" hereto. The 2024 Series A Bonds are entitled to a lien, created by a pledge under the General Resolution, on the Pledged Property.

The Enabling Act and each of the general resolutions permit the Authorized Issuers to issue additional State Personal Income Tax Revenue Bonds subject to statutory limitations on the maximum amount of bonds permitted to be issued by Authorized Issuers for Authorized Purposes and the additional bonds test described herein included in each of the general resolutions authorizing State Personal Income Tax Revenue Bonds. In accordance with the additional bonds test described herein, Revenue Bond Tax Fund Receipts of approximately $35.4 billion are available to pay financing agreement payments on a pro-forma basis, which amount represents approximately 9.3x* times the maximum annual Debt Service for all Outstanding State Personal Income Tax Revenue Bonds, including the debt service on the 2024 Series A Bonds. As noted above, however, additional bonds may not be issued unless the additional bonds test under the respective general resolution has been satisfied. See "—Additional Bonds" below and "PART 4—SOURCES OF REVENUE BOND TAX FUND RECEIPTS—Projected Debt Service Coverage."

The revenues, facilities, properties and any and all other assets of the Agency of any name and nature, other than the Pledged Property, may not be used for, or, as a result of any court proceeding or otherwise, applied to, the payment of the Bonds, any redemption premium therefor or the interest thereon or any other obligations under the General Resolution, and under no circumstances shall these be available for such purposes. See "PART 12—THE AGENCY" for a further description of the Agency.

Certification of Payments to be Set Aside in Revenue Bond Tax Fund

The Enabling Act, the general resolutions and the financing agreements provide procedures for setting aside amounts from the Revenue Bond Tax Fund Receipts, which are deposited to the Revenue Bond Tax Fund to ensure that sufficient amounts will be available to make financing agreement payments, when due, to the applicable trustees on behalf of the Agency and the other Authorized Issuers.

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* Preliminary, subject to change.

The Enabling Act, as amended, provides that:

1. No later than October 1 of each year, each Authorized Issuer must submit its State Personal Income Tax Revenue Bond cash requirements (which shall include financing agreement payments) for the following State Fiscal Year and, as required by the financing agreements, each of the subsequent four State Fiscal Years to the Division of the Budget.

2. No later than thirty (30) days after the submission of the Executive Budget in accordance with Article VII of the State Constitution, the Director of the Budget shall prepare a certificate which sets forth an estimate of:

   (a) 50 percent of the amount of the estimated monthly New York State Personal Income Tax Receipts to be deposited in the Revenue Bond Tax Fund pursuant to the Enabling Act during that State Fiscal Year;

   (b) 50 percent of the amount of the estimated monthly New York State ECEP Receipts to be deposited in the Revenue Bond Tax Fund pursuant to the Enabling Act during that State Fiscal Year;

   (c) 50 percent of the amount of the estimated monthly New York State PTET Receipts to be deposited in the Revenue Bond Tax Fund pursuant to the Enabling Act during that State Fiscal Year; and

   (d) the monthly amounts necessary to be set aside in the Revenue Bond Tax Fund to make the financing agreement payments required to meet the cash requirements of the Authorized Issuers.

3. In the case of financing agreement payments due semi-annually, Revenue Bond Tax Fund Receipts shall be set aside monthly until such amount is equal to not less than the financing agreement payments for State Personal Income Tax Revenue Bonds of all Authorized Issuers in the following month as certified by the Director of the Budget.

4. In the case of financing agreement payments due on a more frequent basis, monthly Revenue Bond Tax Fund Receipts shall be set aside monthly until such amount is, in accordance with the certificate of the Director of the Budget, sufficient to pay the required payment on each issue on or before the date such payment is due.

In addition, the general resolutions and the financing agreements require the State Comptroller to set aside, monthly, in the Revenue Bond Tax Fund, amounts such that the combined total of the (i) amounts previously set aside and on deposit in the Revenue Bond Tax Fund and (ii) amount of estimated monthly New York State Personal Income Tax Receipts (excluding refunds owed to taxpayers), estimated monthly New York State ECEP Receipts (excluding refunds owed to employers), and estimated monthly New York State PTET Receipts (excluding refunds owed to taxpayers), required to be deposited to the Revenue Bond Tax Fund as provided in 2(a), 2(b) and 2(c) above, are not less than 125 percent of the financing agreement payments required to be paid by the State Comptroller to the trustees on behalf of the Authorized Issuers in the following month.

The Director of the Budget may amend such certification as shall be necessary, provided that the Director of the Budget shall amend such certification no later than thirty (30) days after the issuance of any State Personal Income Tax Revenue Bonds, including refunding bonds, or after the execution of any interest rate exchange (or "swap") agreements or other financial arrangements which may affect the cash requirements of any Authorized Issuer.

The Enabling Act provides that on or before the twelfth day of each month, the Commissioner shall certify to the State Comptroller the actual Revenue Bond Tax Fund Receipts for the prior month and, in addition, no later than March 31 of each State Fiscal Year, the Commissioner shall certify such amounts relating to the last month of the State Fiscal Year. At such times, the Enabling Act provides that the State Comptroller shall adjust the amount of estimated New York State Personal Income Tax Receipts (from the Withholding Component), the amount of estimated New York State ECEP Receipts and the amount of estimated New York State PTET Receipts deposited to the Revenue Bond Tax Fund to the actual amount certified by the Commissioner.

Set Aside of Revenue Bond Tax Fund Receipts

As provided by the Enabling Act, the general resolutions, the financing agreements and the certificate of the Director of the Budget, the State Comptroller is required to:

1. Beginning on the first day of each month, deposit all of the daily receipts from the Withholding Component, the daily New York State ECEP Receipts and the daily New York State PTET Receipts to the Revenue Bond Tax Fund until there is on deposit in the Revenue Bond Tax Fund an amount equal to 50 percent of estimated monthly New York State Personal Income Tax Receipts, 50 percent of estimated monthly New York State ECEP Receipts and 50 percent of estimated monthly New York State PTET Receipts.

2. Set aside, monthly, amounts on deposit in the Revenue Bond Tax Fund, such that the combined total of the (i) amounts previously set aside and on deposit in the Revenue Bond Tax Fund, and (ii) amount of estimated monthly Revenue Bond Tax Fund Receipts required to be deposited to the Revenue Bond Tax Fund in such month, are not less than 125 percent of the financing agreement payments required to be paid by the State Comptroller to the trustees on behalf of all the Authorized Issuers in the following month.

The Enabling Act provides that Revenue Bond Tax Fund Receipts which have been set aside in sufficient amounts to pay, when due, the financing agreement payments of all Authorized Issuers shall remain in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until they are appropriated and used to make financing agreement payments.

Subject to appropriation by the State Legislature, upon receipt of a request for payment from any Authorized Issuer pursuant to a financing agreement, the State Comptroller shall pay over to the trustee, on behalf of such Authorized Issuer, such amount. In the event that Revenue Bond Tax Fund Receipts are insufficient to meet financing agreement payments on all State Personal Income Tax Revenue Bonds of all the Authorized Issuers as set forth in the certificate of the Director of the Budget, the State Comptroller is required by the Enabling Act, without appropriation, to immediately transfer amounts from the General Fund to the Revenue Bond Tax Fund, in the amount of such deficiency. Amounts so transferred to the Revenue Bond Tax Fund can only be used to pay financing agreement payments (except, if necessary, for payments authorized to be made to the holders of State general obligation debt).

The State Comptroller shall from time to time, but in no event later than the fifteenth day of each month (other than the last month of the fiscal year) and no later than the thirty-first day of the last month of each fiscal year, pay over and distribute to the credit of the General Fund all moneys in the Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside for the payment of cash requirements as described above.

Flow of Revenue Bond Tax Fund Receipts

The following chart summarizes the flow of Revenue Bond Tax Fund Receipts.

On or before October 1

Authorized Issuers submit to the Division of the Budget the schedule of anticipated cash requirements (which include financing agreement payments) due with respect to State Personal Income Tax Revenue Bonds for the next State Fiscal Year and for the four subsequent State Fiscal Years

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No later than 30 Days after Budget Submission (Mid-February)

Director of the Budget submits a certificate to the State Comptroller which estimates for the following State Fiscal Year*:

- 50% of monthly New York State Personal Income Tax Receipts to be deposited in the Revenue Bond Tax Fund
- 50% of monthly New York State ECEP Receipts to be deposited in the Revenue Bond Tax Fund
- 50% of monthly New York State PTET Receipts to be deposited in the Revenue Bond Tax Fund
- Monthly set asides for financing agreement payments and other cash requirements (for outstanding bonds and projected issuances)

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Beginning on the First Day of Each Month

100% of daily New York State Personal Income Tax Receipts from the Withholding Component, New York State ECEP Receipts and New York State PTET Receipts flow to the Revenue Bond Tax Fund until 50% of estimated monthly New York State Personal Income Tax Receipts (excluding refunds owed to taxpayers), 50% of the estimated monthly New York State ECEP Receipts (excluding refunds owed to employers) and 50% of the estimated monthly New York State PTET Receipts (excluding refunds owed to taxpayers) have been deposited**

New York State Personal Income Tax Receipts, New York State ECEP Receipts and New York State PTET Receipts, which have been set aside to make financing agreement payments and meet other cash requirements, are required to remain in the Revenue Bond Tax Fund until appropriated and paid to the applicable trustees on behalf of the Authorized Issuers

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After the monthly amounts necessary to make financing agreement payments and meet other cash requirements have been set aside, and assuming appropriations have been enacted and any required payments have been made by the State Comptroller, excess moneys in the Revenue Bond Tax Fund flow to the General Fund

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12th Day of the following Month

The Commissioner of Taxation and Finance certifies to the State Comptroller 50% of actual New York State Personal Income Tax Receipts, 50% of actual New York State ECEP Receipts and, 50% of actual New York State PTET Receipts for the prior month and the State Comptroller adjusts deposits to the Revenue Bond Tax Fund accordingly

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* The Director of the Budget can amend the certification at any time to more precisely account for a revised Revenue Bond Tax Fund Receipts estimate or actual debt service and other cash requirements, and to the extent necessary, shall do so not later than thirty days after the issuance of any State Personal Income Tax Revenue Bonds.

** The State can certify and set aside Revenue Bond Tax Fund Receipts in excess of the next month's financing agreement payment requirements to ensure amounts previously set aside and on deposit in the Revenue Bond Tax Fund together with 50 percent of estimated monthly New York State Personal Income Tax Receipts, 50 percent of estimated monthly New York State ECEP Receipts and 50 percent of estimated monthly New York State PTET Receipts to be deposited in such month are not less than 125 percent of all financing agreement payments due in the following month, as required by the financing agreements.

Moneys Held in the Revenue Bond Tax Fund

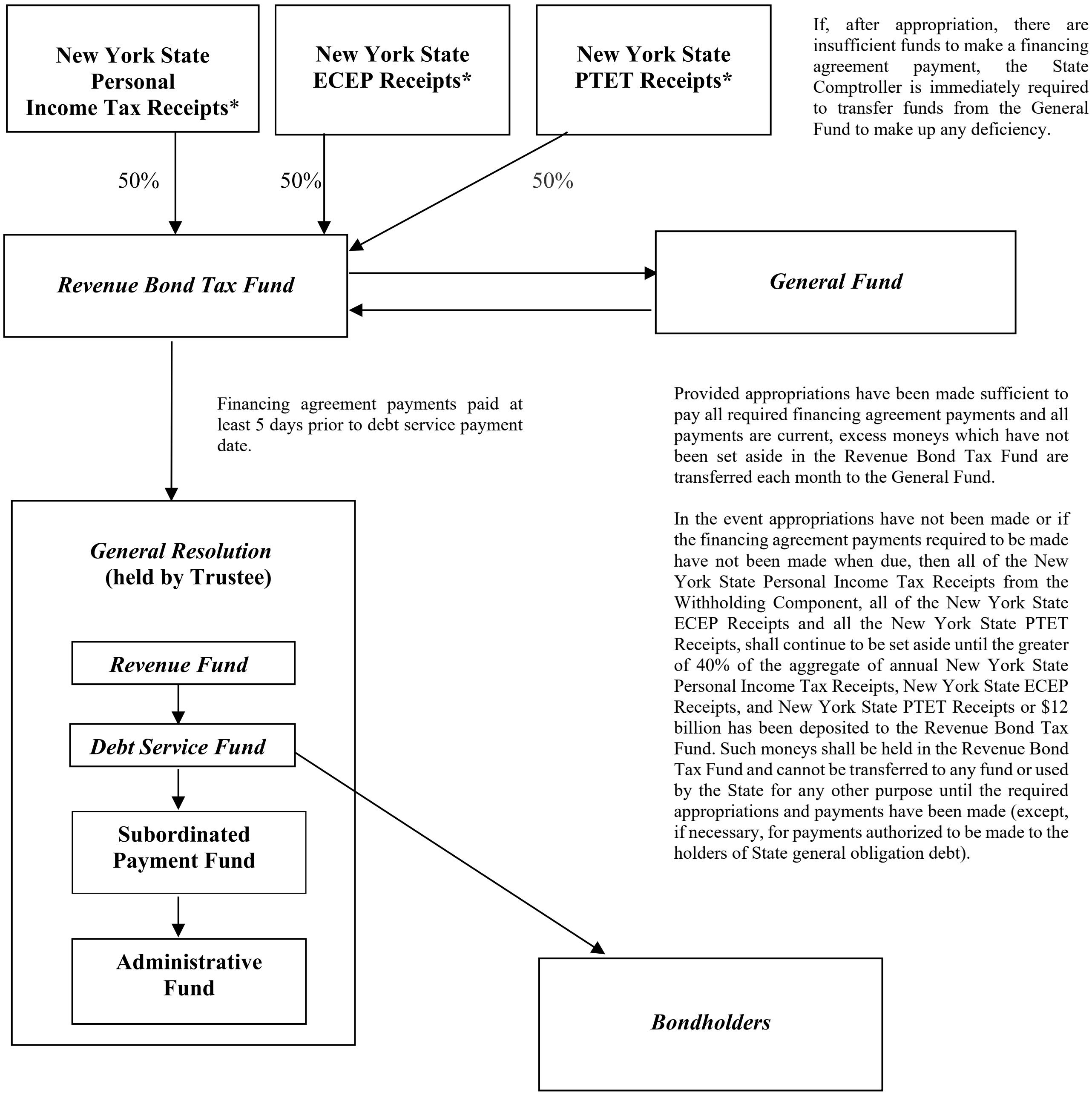
The Enabling Act prohibits the State Comptroller from paying over or distributing any amounts deposited in the Revenue Bond Tax Fund (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) other than to the Agency and other Authorized Issuers (which are paid to the applicable trustees on behalf of the Agency and the other Authorized Issuers), unless two requirements are met. First, all payments as certified by the Director of the Budget for a State Fiscal Year must have been appropriated to the Agency and other Authorized Issuers for the payment of financing agreement payments (including debt service) in the full amount specified in the certificate of the Director of the Budget. Second, each certified and appropriated payment for which moneys are required to be set aside as provided in the Enabling Act must have been made to the trustees on behalf of the Agency and other Authorized Issuers when due.

If such appropriations have been made to pay all annual amounts specified in the certificate of the Director of the Budget as being required by the Agency and all other Authorized Issuers for a State Fiscal Year and all such payments to the applicable trustees on behalf of the Agency and all other Authorized Issuers are current, then the State Comptroller is required by the Enabling Act to pay over and distribute to the credit of the General Fund, at least once a month, all amounts in the Revenue Bond Tax Fund, if any, in excess of the aggregate amount required to be set aside. The Enabling Act also requires the State Comptroller to pay to the General Fund all sums remaining in the Revenue Bond Tax Fund on the last day of each State Fiscal Year, but only if the State has appropriated and paid to the applicable trustees on behalf of the Agency and all other Authorized Issuers the amounts necessary for the Agency and all other Authorized Issuers to meet their cash requirements for the current State Fiscal Year and, to the extent certified by the Director of the Budget, set aside any cash requirements required for the next State Fiscal Year.

In the event that (i) the State Legislature fails to appropriate all amounts required to make financing agreement payments on State Personal Income Tax Revenue Bonds to all Authorized Issuers or (ii) having been appropriated and set aside pursuant to a certificate of the Director of the Budget, any financing agreement payments have not been made when due on State Personal Income Tax Revenue Bonds, the Enabling Act, as amended, requires that all of the New York State Personal Income Tax Receipts from the Withholding Component, all of the New York State ECEP Receipts, and all of the New York State PTET Receipts shall continue to be set aside in the Revenue Bond Tax Fund until amounts on deposit in the Revenue Bond Tax Fund equal the greater of 40 percent of the aggregate of the annual New York State Personal Income Tax Receipts from the Withholding Component, New York State ECEP Receipts and New York State PTET Receipts or twelve billion dollars ($12,000,000,000). Other than to make financing agreement payments from appropriated amounts, the Enabling Act prohibits the transfer of moneys in the Revenue Bond Tax Fund to any other fund or account or use of such moneys by the State for any other purpose (except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees on behalf of each Authorized Issuer, including the Agency.

The Enabling Act provides that no person (including the Authorized Issuers or the holders of State Personal Income Tax Revenue Bonds) shall have any lien on moneys on deposit in the Revenue Bond Tax Fund and that the State's agreement to make financing agreement payments shall be executory only to the extent such payments have been appropriated.

Flow of Revenues



* Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Article 22, Article 24 and Article 24-A of the Tax Law.

Appropriation by the State Legislature

The State may not expend money without an appropriation, except for the payment of debt service on general obligation bonds or notes issued by the State. An appropriation is an authorization approved by the State Legislature to expend money. The State Constitution requires all appropriations of State funds, including funds in the Revenue Bond Tax Fund, to be approved by the State Legislature at least every two years. In addition, the State Finance Law generally provides that appropriations shall cease to have force and effect, except as to liabilities incurred thereunder, at the close of the State Fiscal Year for which they were enacted and that to the extent of liabilities incurred thereunder, such appropriations shall lapse on the succeeding June 30th or September 15th depending on the nature of the appropriation. See "— Moneys Held in the Revenue Bond Tax Fund" in this section.

The Agency expects that the State Legislature will make an appropriation from amounts on deposit in the Revenue Bond Tax Fund sufficient to pay financing agreement payments when due. Revenue Bond Tax Fund Receipts are expected to exceed the amounts necessary to pay financing agreement payments. In addition, in the event that the State Legislature fails to provide an appropriation, the Enabling Act requires that all of the New York State Personal Income Tax Receipts from the Withholding Component, all of the New York State ECEP Receipts and all of the New York State PTET Receipts shall continue to be deposited in the Revenue Bond Tax Fund until amounts on deposit in the Revenue Bond Tax Fund equal the greater of 40 percent of the aggregate of the annual New York State Personal Income Tax Receipts from the Withholding Component, New York State ECEP Receipts and New York State PTET Receipts or twelve billion dollars ($12,000,000,000). The Enabling Act prohibits the transfer of moneys in the Revenue Bond Tax Fund to any other fund or account or the use of such moneys by the State for any other purpose (other than to make financing agreement payments from appropriated amounts, and except, if necessary, for payments authorized to be made to the holders of State general obligation debt) until such time as the required appropriations and all required financing agreement payments have been made to the trustees on behalf of each Authorized Issuer. The State Legislature may not be bound in advance to make an appropriation, and there can be no assurances that the State Legislature will appropriate the necessary funds as anticipated. Nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Article 22, Article 24 and Article 24-A of the Tax Law.

All payments required by financing agreements entered into by the State shall be executory only to the extent of the revenues available in the Revenue Bond Tax Fund. The obligation of the State to make financing agreement payments is subject to the State Legislature making annual appropriations for such purpose and such obligation does not constitute or create a debt of the State, nor a contractual obligation in excess of the amounts appropriated therefor. In addition, the State has no continuing legal or moral obligation to appropriate money for payments due under any financing agreement.

State Personal Income Tax Revenue Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall State Personal Income Tax Revenue Bonds be payable out of any funds other than those pledged therefor. Neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on State Personal Income Tax Revenue Bonds.

Pursuant to the Enabling Act, Revenue Bond Tax Fund Receipts which have been set aside to pay when due the financing agreement payments of all Authorized Issuers shall remain in the Revenue Bond Tax Fund until they are appropriated and used to make financing agreement payments. However, the Enabling Act also provides that the use of such Revenue Bond Tax Fund Receipts by the State Comptroller is "subject to the rights of holders of debt of the state" (i.e., general obligation bondholders who benefit from the faith and credit pledge of the State). Pursuant to Article VII Section 16 of the State Constitution, if at any time the State Legislature fails to make an appropriation for general obligation debt service, the State Comptroller is required to set apart from the first revenues thereafter received, applicable to the General Fund, sums sufficient to pay debt service on such general obligation debt. In the event that such revenues and other amounts in the General Fund are insufficient to so pay State general obligation bondholders, the State may also use amounts on deposit in the Revenue Bond Tax Fund as well as other funds to pay debt service on State general obligation bonds.

The Division of the Budget is not aware of any existing circumstances that would cause Revenue Bond Tax Fund Receipts to be used to pay debt service on State general obligation bonds in the future. The Director of the Budget believes that any failure by the State Legislature to make annual appropriations as contemplated would have a serious impact on the ability of the State and the Authorized Issuers to issue State supported bonds to raise funds in the public credit markets.

Additional Bonds

As provided in each general resolution, except as provided in the next paragraph with respect to certain refunding bonds, additional State Personal Income Tax Revenue Bonds may be issued by the related Authorized Issuer, provided that the amount of Revenue Bond Tax Fund Receipts for any 12 consecutive calendar months ended not more than six months prior to the date of such calculation, as certified by the Director of the Budget, is at least 2.0 times the maximum Calculated Debt Service on all Outstanding State Personal Income Tax Revenue Bonds, the State Personal Income Tax Revenue Bonds proposed to be issued, and any additional amounts payable with respect to parity reimbursement obligations.

The General Resolution also provides that additional Bonds may be issued to refund Outstanding Bonds either by meeting the debt service coverage test described above, or, in the alternative, by demonstrating that maximum annual debt service on all Outstanding Bonds will not increase as a result of such refunding.

For additional information, see "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Summary of Certain Provisions of the State Personal Income Tax Revenue Bonds Standard Resolution Provisions — Special Provisions for Additional Bonds" and "—Refunding Bonds."

Parity Reimbursement Obligations

An Authorized Issuer, including the Agency, may incur Parity Reimbursement Obligations (as defined in each respective general resolution, including the General Resolution) pursuant to the terms of its general resolution which, subject to certain exceptions, would be secured by a pledge of, and a lien on, the pledged property on a parity with the lien created by the related general resolution with respect to bonds issued thereunder. A Parity Reimbursement Obligation may be incurred in connection with obtaining a Credit Facility and represents the obligation to repay amounts advanced under the Credit Facility. It may include interest calculated at a rate higher than the interest rate on the related State Personal Income Tax Revenue Bonds and may be secured by a pledge of, and a lien on, pledged property on a parity with the lien created by the general resolution for the State Personal Income Tax Revenue Bonds only to the extent that principal amortization requirements of the Parity Reimbursement Obligation are equal to the amortization requirements for the related State Personal Income Tax Revenue Bonds, without acceleration. See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION."

Certain Covenants of the State

Pursuant to the general resolutions, the State pledges and agrees with the holders of State Personal Income Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred thereunder that the State will not in any way impair the rights and remedies of holders of such State Personal Income Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations until such State Personal Income Tax Revenue Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred thereunder, together with interest thereon, with interest, if any, on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders are fully met and discharged.

Pursuant to the Enabling Act and the general resolutions, nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Article 22, Article 24, and Article 24-A of the Tax Law. An Event of Default under the general resolutions would not occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter the statutes imposing or relating to such taxes. However, the Director of the Budget believes that any materially adverse amendment, modification or alteration of, or the repeal of, statutes imposing or related to the taxes imposed pursuant to Article 22, Article 24, and Article 24-A of the Tax Law could have a serious impact on the flow of Revenue Bond Tax Fund Receipts to the Revenue Bond Tax Fund, the ability of the Authorized Issuers to issue additional State Personal Income Tax Revenue Bonds and the marketability of outstanding State Personal Income Tax Revenue Bonds.

Reservation of State's Right to Substitute Credit

Pursuant to the Enabling Act, the State reserves the right, upon amendment of the State Constitution to permit the issuance of State Revenue Bonds, which may be payable from or secured by revenues that may include the Revenues pledged under the general resolutions, (i) to assume, in whole or in part, State Personal Income Tax Revenue Bonds, (ii) to extinguish the existing lien on the pledged property created under the general resolutions, and (iii) to substitute security for State Personal Income Tax Revenue Bonds, in each case only so long as the assumption, extinguishment and substitution is accomplished in accordance with either of two provisions of the general resolutions. (For these purposes, any State Personal Income Tax Revenue Bonds paid or deemed to have been paid in accordance with the applicable general resolution on or before the date of any assumption, extinguishment and substitution are not to be taken into account in determining compliance with those provisions.) The first provision of the general resolutions is intended to permit an assumption, extinguishment and substitution, without any right of consent of Bondholders or other parties, if certain conditions are satisfied. The second provision of the general resolutions permitting such an assumption, extinguishment and substitution is intended to permit a broader range of changes with the consent of issuers of Credit Facilities and the consent of certain Bondholders. It provides that any such assumption, extinguishment and substitution may be effected if certain conditions are satisfied.

In the event a constitutional amendment becomes a part of the State Constitution, there can be no assurance that the State will exercise its rights of assumption, extinguishment, and substitution with respect to State Personal Income Tax Revenue Bonds. There can be no assurance that the Agency or any other Authorized Issuer would be the issuer of any such State Revenue Bonds upon any such assumption, extinguishment and substitution and, if not the Agency or any other Authorized Issuer, the issuer of such State Revenue Bonds could be the State or another public entity.

See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Summary of Certain Provisions of the State Personal Income Tax Revenue Bonds Standard Resolution Provisions — Reservation of State Rights of Assumption, Extinguishment and Substitution."

PART 4 — SOURCES OF REVENUE BOND TAX FUND RECEIPTS

General History of the State Personal Income Tax

In 1919, New York State became the seventh state to enact a personal income tax. The present system of conformity to federal tax law with respect to income and deductions was adopted in 1960. The personal income tax is New York's largest source of tax revenue and consistently accounts for more than one-half of all State tax receipts.

The State's personal income tax structure adheres closely to the definitions of adjusted gross income and itemized deductions used for federal personal income tax purposes, with certain modifications, such as: (1) the inclusion of investment income from debt instruments issued by other states and municipalities and the exclusion of income on certain federal obligations; and (2) the exclusion of pension income received by federal, New York State and local government employees, private pension and annuity income up to $20,000 ($40,000 for married couples filing jointly), and any Social Security income and refunds otherwise included in federal adjusted gross income.

Changes in federal tax law from time to time may positively or negatively affect the amount of personal income tax receipts collected by the State. State Tax Law changes may also impact personal income tax receipts by authorizing a wide variety of credits against the personal income tax liability of taxpayers. See "PART 3 – SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS—Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program."

Major tax credits include: Empire State Child Credit; Earned Income Tax Credit; Child and Dependent Care Credit; Household Credit; College Tuition Credit; Long-term Care Insurance Credit; Investment Credits; Real Property Tax Circuit Breaker Credit; STAR credit for new homeowners; and the New York City STAR personal income tax credit.

Personal Income Tax Rates

Taxable income equals New York adjusted gross income ("AGI") less deductions and exemptions. The tax provides separate rate schedules for married couples, single individuals and heads of households. For the 2009 through 2011 tax years, the State income tax was imposed at rates ranging from 4.0 percent to 8.97 percent on the taxable income of individuals, estates and trusts. For taxpayers with $100,000 or more of AGI, the savings from graduated marginal tax rates is recaptured through a supplementary mechanism in effect since 1991. Between tax years 2012 and 2017, the tax tables were revised to include additional middle-income brackets with reduced tax rates and a new top bracket, which imposed a tax rate of 8.82 percent. The tax tables were also subject to annual inflation-based adjustment beginning tax year 2013 and ending tax year 2017. Tax rate reductions were applied to the aforementioned middle-income brackets in tax year 2018 as part of a scheduled eight-year phase-in of middle-income tax cuts. Beginning tax year 2021, the former 8.82 percent top rate increased to 9.65 percent and two new high-income brackets were added, including a new top rate of 10.9 percent. The phase-in of the middle-income tax cuts was accelerated by FY 2023 Enacted Budget legislation, rendering the cuts fully-effective beginning tax year 2023.

The following tables set forth the current rate schedules for tax years 2023 through 2027 and for tax years 2028 and thereafter.

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New York State Personal Income Tax Rates for Tax Years 2023 through 2027

Married Filing Jointly and Qualified Widow(er) Taxable Income:	Tax*
Not over $17,150	4% of taxable income
Over $17,150 but not over $23,600	$686 plus 4.50% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.50% of excess over $27,900
Over $161,550 but not over $323,200	$8,553 plus 6.00% of excess over $161,550
Over $323,200 but not over $2,155,350	$18,252 plus 6.85% of excess over $323,200
Over $2,155,350 but not over $5,000,000	$143,754 plus 9.65% of excess over $2,155,350
Over $5,000,000 but not over $25,000,000	$418,263 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,478,263 plus 10.9% of excess over $25,000,000

Single, Married Filing Separately, Estates and Trusts Taxable Income:	Tax*
Not over $8,500	4% of taxable income
Over $8,500 but not over $11,700	$340 plus 4.50% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.50% of excess over $13,900
Over $80,650 but not over $215,400	$4,271 plus 6.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,356 plus 6.85% of excess over $215,400
Over $1,077,550 but not over $5,000,000	$71,413 plus 9.65% of excess over $1,077,550
Over $5,000,000 but not over $25,000,000	$449,929 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,509,929 plus 10.9% of excess over $25,000,000

Head of Household Taxable Income:	Tax*
Not over $12,800	4% of taxable income
Over $12,800 but not over $17,650	$512 plus 4.50% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.50% of excess over $20,900
Over $107,650 but not over $269,300	$5,672 plus 6.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450 but not over $5,000,000	$107,651 plus 9.65% of excess over $1,616,450
Over $5,000,000 but not over $25,000,000	$434,163 plus 10.3% of excess over $5,000,000
Over $25,000,000	$2,494,163 plus 10.9% of excess over $25,000,000

* A supplemental income tax recaptures the savings due to graduated marginal tax rates such that, for example, when a taxpayer's AGI exceeds $25,000,000 in tax years 2023 through 2027, all taxable income becomes effectively subject to a flat 10.9 percent tax rate.

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New York State Personal Income Tax Rates for Tax Years 2028 and Thereafter

Married Filing Jointly Taxable Income:	<u>Tax</u>[±]
Not over $17,150	4% of taxable income
Over $17,150 but not over $23,600	$686 plus 4.50% of excess over $17,150
Over $23,600 but not over $27,900	$976 plus 5.25% of excess over $23,600
Over $27,900 but not over $161,550	$1,202 plus 5.50% of excess over $27,900
Over $161,550 but not over $323,200	$8,553 plus 6.00% of excess over $161,550
Over $323,200 but not over $2,155,350	$18,252 plus 6.85% of excess over $323,200
Over $2,155,350	$143,754 plus 8.82% of excess over $2,155,350

Single, Married Filing Separately, Estates and Trusts Taxable Income:	<u>Tax</u>*
Not over $8,500	4% of taxable income
Over $8,500 but not over $11,700	$340 plus 4.50% of excess over $8,500
Over $11,700 but not over $13,900	$484 plus 5.25% of excess over $11,700
Over $13,900 but not over $80,650	$600 plus 5.50% of excess over $13,900
Over $80,650 but not over $215,400	$4,271 plus 6.00% of excess over $80,650
Over $215,400 but not over $1,077,550	$12,356 plus 6.85% of excess over $215,400
Over $1,077,550	$71,413 plus 8.82% of excess over $1,077,550

Head of Household Taxable Income:	<u>Tax</u>*
Not over $12,800	4% of taxable income
Over $12,800 but not over $17,650	$512 plus 4.50% of excess over $12,800
Over $17,650 but not over $20,900	$730 plus 5.25% of excess over $17,650
Over $20,900 but not over $107,650	$901 plus 5.50% of excess over $20,900
Over $107,650 but not over $269,300	$5,672 plus 6.00% of excess over $107,650
Over $269,300 but not over $1,616,450	$15,371 plus 6.85% of excess over $269,300
Over $1,616,450	$107,651 plus 8.82% of excess over $1,616,450

± A supplemental income tax recaptures the savings due to graduated marginal tax rates such that when a taxpayer's AGI exceeds $2,205,350 for married filing jointly taxpayers for tax years after 2027, all taxable income becomes effectively subject to a flat 8.82 percent tax rate.

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Components of the Personal Income Tax

The components of personal income tax liability include withholding, estimated payments, final returns, delinquencies and refunds. Taxpayers prepay their tax liability through payroll withholding taxes imposed by Section 671 of Article 22 of the Tax Law (the "Withholding Component") and estimated taxes imposed by Section 685 of Article 22 of the Tax Law. The New York State Department of Taxation and Finance collects the personal income tax from employers and individuals and reports the amount collected to the State Comptroller, who deposits collections net of overpayments and administrative costs.

Initiated in 1959, withholding tax is the largest component of income tax collections. New York requires employers to withhold and remit personal income taxes on wages, salaries, bonuses, commissions and similar income. The amount of withholding varies with the rates, deductions and exemptions. Under current law, employers must remit withholding liability within three business days after each payroll once the cumulative amount of liability reaches $700. Certain small businesses and educational and health care organizations may make their withholding remittance within five business days, and employers with less than $700 of withheld tax can remit it on a quarterly basis. Large employers (aggregate tax of more than $100,000 per year) must make timely payment by electronic funds transfer or by certified check.

Employer Compensation Expense Program

The ECEP was enacted in 2018 in response to federal legislation which limited the personal income tax deduction for state and local taxes to $10,000 per taxpayer annually. Businesses are provided the option to participate in the ECEP, and those that elect to participate remit a tax on annual wages paid to each employee in excess of $40,000. The tax rate is 1.5 percent in 2019, 3 percent in 2020, and 5 percent in 2021 and thereafter. The ECEP tax must be paid electronically on the same dates that the electing employer's withholding tax payments are required to be made. An employer that overpays the tax may apply for a refund.

Employers participating in the ECEP for a given tax year must make an election by December 1st of the preceding year. Remittance of taxes on payrolls begin January immediately following the election to participate. New York State ECEP receipts from participating employers are deposited into the Revenue Bond Tax Fund beginning January 1st immediately following the election to participate as well. For example, employers participating in the ECEP for tax year 2024 made elections by December 1, 2023, and receipts from these participants – including deposits into the Revenue Bond Tax Fund – began in January 2024.

New York State ECEP Receipts are dependent on the extent to which employers elect to participate in the program. In State Fiscal Year 2022-23, the State received approximately $7 million of New York State ECEP Receipts, based primarily on the 287 employers that elected to participate in tax year 2022. The participation data count increased to 423 for tax year 2023 and 425 for tax year 2024, but substantial uncertainty exists with respect to the projected amount of New York State ECEP Receipts during State Fiscal Year 2024-25 and thereafter due to its limited and volatile history.

From a Revenue Bond Tax Fund perspective, the ECEP is expected to be revenue neutral. New York State ECEP Receipts collected from participating employers are expected to be offset by a comparable decrease in personal income tax receipts, because employees whose wages are subject to the ECEP may claim a personal income tax credit calculated using a statutory formula that corresponds in value to the tax imposed by the ECEP. As a result, aggregate receipts deposited to the Revenue Bond Tax Fund are expected to remain substantially the same regardless of the amount of New York State ECEP Receipts.

Pass-Through Entity Tax Program

As part of the FY 2022 Enacted Budget, the State Legislature enacted legislation that provides for an optional pass-through entity tax on the State-sourced income of (i) partnerships and (ii) S corporations. Qualifying entities that elect to pay into PTET will pay a graduated tax on their State-sourced ordinary income (and guaranteed payments for partnerships) at the partnership or corporation level and their individual partners, members and shareholders will receive a refundable tax credit equal to the proportionate or pro rata share of taxes paid by the electing entity.

For each taxable year beginning on or after January 1, 2021, the PTET schedule is as follows:

If pass-through entity taxable income is:

Not over $2,000,000	6.85% of taxable income
Over $2,000,000 but not over $5,000,000	$137,000 plus 9.65% of the excess over $2,000,000
Over $5,000,000 but not over $25,000,000	$426,500 plus 10.30% of excess over $5,000,000
Over $25,000,000	$2,486,500 plus 10.90% of excess over $25,000,000

The Fiscal Year 2025 Enacted Budget Financial Plan includes estimates for New York State PTET Receipts and a corresponding decrease in New York State Personal Income Tax Receipts. The overall effect on projected receipts to the Revenue Bond Tax Fund, to which 50 percent of both PIT and New York State PTET Receipts are deposited, is that PTET has significantly increased FY 2022 receipts, significantly decreased FY 2023 receipts, decreased FY 2024 receipts, and is expected to increase FY 2025 receipts. Projections are, however, based on limited experience to date, and there can be no assurance that such projections will be realized. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS — Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program."

Revenue Bond Tax Fund Receipts

The Enabling Act provides that 50 percent of the New York State Personal Income Tax Receipts shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to taxpayers.

The Enabling Act also provides that 50 percent of the New York State ECEP Receipts shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to employers.

Effective April 1, 2021, pursuant to legislative changes, 50 percent of the New York State PTET Receipts, shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to taxpayers. See "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS — Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program."

Beginning on the first day of each month, the Enabling Act requires the State Comptroller to deposit in the Revenue Bond Tax Fund all of the receipts from the Withholding Component, all of the New York State ECEP Receipts and all of the New York State PTET Receipts until 50 percent of estimated monthly New York State Personal Income Tax Receipts, 50 percent of estimated monthly New York State ECEP Receipts, and 50 percent of the estimated monthly New York State PTET Receipts respectively, have been deposited into the Revenue Bond Tax Fund.

The following table sets forth certain historical and projected information concerning New York State Personal Income Tax Receipts, the Withholding Component, New York State PTET Receipts, New York State ECEP Receipts and deposits to the Revenue Bond Tax Fund from State Fiscal Years 2014-15 through 2024-25. For additional information related to the State, see "APPENDIX A – INFORMATION CONCERNING THE STATE OF NEW YORK –Financial Plan Overview – Executive Summary."

NYS Personal Income Tax Receipts and Withholding Component, NYS PTET Receipts NYS ECEP Receipts, and Revenue Bond Tax Fund Receipts State Fiscal Years 2014-15 through 2024-25* (Dollars in Millions)

State Fiscal Year	New York State Personal Income Tax Receipts	Withholding Component	Withholding as a % of State Personal Income Tax Receipts	New York State PTET Receipts	New York State ECEP Receipts	Revenue Bond Tax Fund Receipts
2014-15	$43,710	$34,907	79.9%	N/A	N/A	$10,927
2015-16	47,055	36,549	77.7	N/A	N/A	11,764
2016-17	47,566	37,524	78.9	N/A	N/A	11,891
2017-18	51,501	40,269	78.2	N/A	N/A	12,875
2018-19*	48,087	41,084	85.4	N/A	$0.1	24,044
2019-20	53,659	43,118	80.4	N/A	2.0	26,831
2020-21	54,967	44,218	80.4	N/A	3.2	27,485
2021-22†	70,737	53,328	75.4	$16,430	12.8	43,590
2022-23†	58,776	52,477	89.3	14,944	6.7	36,863
2023-24†	53,840	54,700	101.6	13,955	13.0	33,904
2024-25 (proj.)†	56,994	57,486	100.9	14,748	15.0	35,879

* Reflects increased deposits to the Revenue Bond Tax Fund, resulting from FY 2019 Enacted Budget legislation.

† Includes New York State Personal Income Tax Receipts, New York State ECEP Receipts, and New York State PTET Receipts. Reflects the timing of New York State PTET Receipts that results in a decrease in New York State Personal Income Tax Receipts, which are estimated to be revenue-neutral to the State on a multi-year basis but are not estimated to be revenue-neutral to the State within each fiscal year.

For State Fiscal Year 2023-24, New York State Personal Income Tax Receipts totaled approximately $53.8 billion and accounted for approximately 50.5 percent of State tax receipts in all State Funds. The Fiscal Year 2025 Enacted Budget Financial Plan estimates that total New York State Personal Income Tax Receipts (net of refunds to taxpayers but before deposits to the School Tax Relief (STAR) Fund) will increase by 5.9 percent to approximately $57.0 billion in State Fiscal Year 2024-25. The increase in FY 2024-25 receipts and the resulting slight decrease in share of total receipts represented by the withholding component are due to increases in all major gross receipts components, with growth in total estimated payments outpacing growth in withholding. New York State ECEP Receipts are estimated to total $15 million in State Fiscal Year 2024-25, increasing from the $13 million total in State Fiscal Year 2023-24, driven by wage growth in tax year 2024.

Total State personal income tax receipts (as distinguished from New York State Personal Income Tax Receipts as defined herein and presented in the table above) estimates are based on the State personal income tax liability estimated by the Division of the Budget for each of the relevant tax years and the patterns of receipts and refunds for each tax year. Such tax year liability estimates are, in turn, based largely on forecasts of State adjusted gross income, with adjustments made for legislative changes (see "— General History of the State Personal Income Tax" above) that will affect each year's tax liability. The level of total State personal income tax receipts is necessarily dependent upon economic and demographic conditions in the State, and therefore there can be no assurance that historical data with respect to total State personal income tax receipts will be indicative of future receipts. Since the institution of the modern income tax in New York in 1960, total personal income tax receipts have fallen nine times on a year-over-year basis, in State Fiscal Years 1964-65, 1971-72, 1977-78, 1990-91, 2002-03, 2009-10, 2018-19, 2022-23 and 2023-24. Total State personal income tax receipts are projected to increase in State Fiscal Year 2024-25 due to increases in all major components of gross receipts.

The following table shows the pattern of State adjusted gross income growth and personal income tax liability for tax years 2015 through 2024.

NYS Adjusted Gross Income (AGI) and Personal Income Tax Liability 2015 to 2024*

Tax Year	NYS AGI	Percent Change	Personal Income Tax Liability†	Percent Change
		($ in millions)		
2015	$807,775	4.0%	$43,503	3.8%
2016	794,105	(1.7)	41,736	(4.1)
2017	874,568	10.1	48,000	15.0
2018	906,868	3.7	48,712	1.5
2019	930,755	2.6	49,567	1.8
2020	990,849	6.5	54,517	10.0
2021	1,148,443	15.9	71,406	31.0
2022 (est.)	1,073,325	(6.5)	64,277	(10.0)
2023 (est.)	1,077,187	0.4	62,643	(2.5)
2024 (proj.)	1,127,666	4.7	66,748	6.6

* NYS AGI and personal income tax liability reflect amounts reported on timely filed individual returns, and therefore do not include tax paid by fiduciaries or through audits.
† Personal income tax liability excludes the effects of PTET credits.

The table indicates that under the State's progressive income tax structure with graduated tax rates, tax liability generally changes at a faster percentage rate than adjusted gross income, absent major law changes or economic events. Since tax year 2015, realized adjusted gross income grew in all but one year, with the annual decline in tax year 2016 in large part due to strategic income shifting in response to actual or anticipated changes in the federal tax code. In tax year 2022, turmoil in the equities market brought about in part by the Federal Reserve's actions to wring inflation out of the economy through higher interest rates and in part by concerns that a recession might occur led to declining adjusted gross income. In tax year 2023, equity prices regained ground lost throughout tax year 2022 but failed to eclipse the peak levels seen in late 2021 and early 2022, contributing to continued weakness in adjusted gross income and a second consecutive year of decline in net capital gains.

The Fiscal Year 2025 Enacted Budget Financial Plan estimates that tax year 2021 personal income tax liability totaled $71.4 billion, increasing 31.0 percent from the prior year, and reflecting not only the economic impact of the COVID-19 pandemic, including the extraordinary support to personal incomes provided by the Federal government and the robust recovery of equity markets, but also the effects of new, high-income tax brackets and rates that were effective with the 2021 tax year. Personal income tax liability is estimated to decrease by 10.0 percent to $64.0 billion in tax year 2022 for the reasons affecting adjusted gross income discussed in the paragraph above. A further decline of 1.8 percent is estimated for tax year 2023, with liability falling to $62.6 billion, before it rises to a projected $66.7 billion, an increase of 6.6 percent, in tax year 2024.

Debt Service Coverage

The following table sets forth (1) Revenue Bond Tax Fund Receipts for a twelve consecutive calendar month period ended not more than six months prior to the date of such calculation, (2) maximum annual debt service on the outstanding State Personal Income Tax Revenue Bonds, including the debt service on the 2024 Series A Bonds, and (3) resulting debt service coverage. There can be no assurance that actual Revenue Bond Tax Fund Receipts will not be less than the amounts collected during the calculation period, as a result of numerous factors affecting Revenue Bond Tax Fund Receipts that cannot be predicted at this time.

Debt Service Coverage on State Personal Income Tax Revenue Bonds
(Dollars in Thousands)

Revenue Bond Tax Fund Receipts..............................	$35,354,632
Maximum Annual Debt Service	$3,815,789*
Debt Service Coverage	9.3x*

* Preliminary, subject to change.

Projected Debt Service Coverage

Based upon the assumptions used in preparing the following table including assumed State Personal Income Tax Revenue Bond issuances averaging approximately $5.4 billion annually over the next four years, State Personal Income Tax Revenue Bond debt service coverage based only upon the Revenue Bond Tax Fund's receipt of the New York State Personal Income Tax Receipts, New York State ECEP Receipts, and New York State PTET Receipts is expected to decline from 8.2 times in State Fiscal Year 2024-25 to 6.9 times in State Fiscal Year 2027-28.

Projected Debt Service Coverage on State Personal Income Tax Revenue Bonds[(1)]
State Fiscal Years 2024-25 through 2027-28
(Dollars in Millions)

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Projected Revenue Bond Tax Fund Receipts[†]	$35,879	$36,317	$35,011	$40,866
Projected New State Personal Income Tax Revenue Bonds Issuances	5,266	7,163	8,023	6,713
Projected Total State Personal Income Tax Revenue Bonds Outstanding	45,122	50,818	57,867	62,960
Projected Maximum Annual Debt Service	4,351	4,864	5,439	5,920
Projected Debt Service Coverage	8.2x	7.5x	6.4x	6.9x

(1) As of the Fiscal Year 2025 Enacted Budget Financial Plan.

† Includes New York State Personal Income Tax Receipts, New York State ECEP Receipts, and New York State PTET Receipts. Reflects the timing of New York State PTET Receipts and subsequent decrease in New York State Personal Income Tax Receipts, which are estimated to be revenue-neutral to the State on a multi-year basis, but are not estimated to be revenue-neutral to the State within each fiscal year.

Additional State Personal Income Tax Revenue Bonds may be issued, subject to satisfaction of a 2.0 times debt service coverage test. All State Personal Income Tax Revenue Bonds issued by any Authorized Issuer will be on a parity with each other as to payments from the Revenue Bond Tax Fund, subject to annual appropriation by the State Legislature. See "PART 3 — SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS — Additional Bonds."

Impact of Charitable Gifts Trust Fund on State Personal Income Tax Revenue Bonds

As a result of (i) the 2019 IRS regulatory action that effectively curtailed donations to the Charitable Gifts Trust Fund and, (ii) the Federal SALT deduction limit that is scheduled to expire on December 31, 2025, the State does not expect that the Charitable Gifts Trust Fund will have any material impact on the Personal Income Tax Revenue Bond Program or on amounts deposited into the Revenue Bond Tax Fund.

PART 5 – DESIGNATION OF THE 2024 SERIES A BONDS AS SUSTAINABILITY BONDS

The Agency has designated the 2024 Series A Bonds as "Sustainability Bonds" based on the intended use of proceeds of the 2024 Series A Bonds to finance multi-family rental housing projects that are expected to provide affordable housing and are expected to include energy efficiency standards and features. The Agency does not assume any obligation to ensure that the 2024 Projects (defined below) financed with proceeds of the 2024 Series A Bonds comply with any standards or principles that may be related to such designation or that the 2024 Series A Bonds comply with any standards or principles that may be related to such designation. No assurance is or can be given to investors that any uses of the proceeds of the 2024 Series A Bonds will meet investor expectations regarding such performance objectives.

Designation of the 2024 Series A Bonds as Sustainability Bonds

The Agency is issuing the 2024 Series A Bonds as Sustainability Bonds based on the intended use of proceeds of the 2024 Series A Bonds to finance multifamily rental housing projects that are expected to provide affordable housing and are expected to include energy efficiency standards and features. The Agency's Sustainability Bonds designation reflects the use of the proceeds of the 2024 Series A Bonds in a manner that is consistent with the "Green Bond Principles," "Social Bond Principles," and "Sustainability Bond Guidelines" as promulgated by the International Capital Market Association ("ICMA"). By reference to the ICMA's "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" (June 2023), the Agency has determined that the Agency's Sustainability Bonds designation reflects the use of the proceeds of the 2024 Series A Bonds in a manner that is consistent with "Goal 1: No Poverty," "Goal 7: Affordable and Clean Energy" and "Goal 11: Sustainable Cities and Communities" of the United Nations 17 Sustainable Development Goals (referred to as "UNSDGs" generally and "SDG 1," "SDG 7" and "SDG 11" specifically). According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 7 is focused on ensuring access to affordable, reliable, sustainable, and modern energy for all and SDG 11 is focused on making cities and human settlements inclusive, safe, resilient and sustainable.

The ICMA's "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" maps SDG 1.4 to ICMA Social Bond Principles "Affordable Housing," "Socioeconomic Advancement and Empowerment," and "Access to Essential Services," SDG 1.5 to ICMA Green Bond Principle "Climate Change Adaptation," SDG 7.1 to ICMA Social Bond Principle "Affordable Basic Infrastructure," SDG 7.3 to ICMA Green Bond Principle "Energy Efficiency," SDG 11.1 to ICMA Social Bond Principles "Affordable Housing" and "Affordable Basic Infrastructure," SDG 11.5 to ICMA Social Bond Principle "Socioeconomic Advancement and Empowerment," and SDG 11c to ICMA Green Bond Principles "Green Buildings." Such mapping is summarized in the table below.

ICMA Mapping to the United Nations Sustainable Development Goals

Sustainable Development Goal (SDG)	Social Bond Principles	Green Bond Principles
Goal 1: No Poverty	• Affordable Housing • Socioeconomic Advancement and Empowerment • Access to Essential Services	• Climate Change Adaptation
Goal 7: Affordable and Clean Energy	• Affordable Basic Infrastructure	• Energy Efficiency
Goal 11: Sustainable Cities and Communities	• Affordable Housing • Affordable Basic Infrastructure • Socioeconomic Advancement and Empowerment	• Green Buildings

The Agency's Program

The Agency's program provides affordable housing in the State and serves certain of the "target populations" included by the ICMA in its "Social Bond Principles" (June 2023). The Social Bond Principles include project categories for the most commonly used types of projects (defined as "Social Projects") supported by or expected to be supported by the Social Bond market. Social Projects include "affordable housing."

The Agency's program promotes socioeconomic advancement and empowerment of targeted populations, including (i) those living below the poverty line, (ii) excluded and/or marginalized populations, (iii) people with disabilities and (iv) aging populations and vulnerable youth, among others.

Use of Proceeds

The proceeds of the 2024 Series A Bonds are expected to be used to finance five mortgage loans (the "2024 Mortgage Loans") for the new construction or rehabilitation of five affordable housing developments (the "2024 Projects") which are expected to create or rehabilitate 767 units in the aggregate of affordable housing located in Albany, Bronx and Westchester Counties.

Each of the 2024 Projects will receive subsidy loans or payments under subsidy programs administered by the Agency, other State agencies and certain localities that provide financing for costs of construction or rehabilitation under various subordinate loan or other programs, and all of the units in each 2024 Project are expected to be required to be set aside for households with incomes at or below a specified percentage of AMI. All of the 2024 Projects are expected to include energy efficiency standards and features. See "APPENDIX G—Green Standards—Agency Energy and Green Building Requirements." The subsidy loan and payment programs and energy efficiency standards and features applicable to the 2024 Projects are described in APPENDIX F and APPENDIX G hereto.

Project Evaluation and Selection

As part of its process for approving a 2024 Project for financing through the issuance of the 2024 Series A Bonds, the Agency reviews whether or not such 2024 Project is expected to provide safe, quality housing at rent levels which low and moderate income individuals and families can afford. In addition, applicants are required to demonstrate that the applicable 2024 Project will include one or more energy efficiency standards and features, provided that under certain circumstances the Agency may grant a waiver of this requirement. 2024 Projects may demonstrate compliance by satisfying the conditions of one of the programs described in "APPENDIX G—Green Standards—Agency Energy and Green Building Requirements." Further, applicants are generally required to provide an executed contract between the applicant and an energy consultant to monitor the design and construction as necessary to meet the program requirements.

Management of Proceeds

The proceeds of the 2024 Series A Bonds will be invested in Investment Obligations until disbursed to finance the applicable 2024 Projects. Such disbursements will be tracked by the Agency.

Post-Issuance Reporting

The Agency intends to provide to holders of the 2024 Series A Bonds an annual update on the 2024 Projects that, as of the last day of such fiscal year, were then associated with the 2024 Series A Bonds (the specific form and content of which are in the absolute discretion of the Agency). The Agency is not required to provide such annual update pursuant to the Master Disclosure Agreement or any other agreement to provide continuing disclosure.

PART 6 — DESCRIPTION OF THE 2024 SERIES A-1 BONDS

General

The 2024 Series A-1 Bonds will bear interest, computed on the basis of a 360-day year and 30-day month, from their date of delivery, payable on each June 15 and December 15, commencing June 15, 2025, at the rates set forth on the inside cover pages of this Official Statement.

The 2024 Series A-1 Bonds will be issued only as fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

The Record Date with respect to any Interest Payment Date for the 2024 Series A-1 Bonds shall be the 1st day of the calendar month of such Interest Payment Date.

The 2024 Series A-1 Bonds will be issued under a book-entry only system, and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as bond depository for the 2024 Series A-1 Bonds. Principal or redemption price of and interest on the 2024 Series A-1 Bonds are payable by U.S. Bank Trust Company, National Association, New York, New York, as Trustee and Paying Agent, to Cede & Co., so long as Cede & Co. is the registered owner of the 2024 Series A-1 Bonds, as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. See "PART 9 — BOOK-ENTRY ONLY SYSTEM" below.

Redemption Provisions for the 2024 Series A-1 Bonds*

The 2024 Series A-1 Bonds are subject to optional redemption, special redemption and sinking fund redemption prior to maturity, all as described below.

<u>Optional Redemption</u>

The 2024 Series A-1 Bonds are subject to redemption, at the option of the Agency, in whole or in part, on any date on or after December 15, 2031, at a Redemption Price of 100% of the principal amount of 2024 Series A-1 Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

<u>Special Redemption</u>

The 2024 Series A-1 Bonds are subject to redemption, in whole or in part, at any time prior to maturity, at the Special Redemption Price (as defined below) from Financing Agreement payments in amounts equal to: (a) monies received by the Agency with respect to a 2024 Project from (i) proceedings taken by the Agency in the event of a default by the mortgagor (a "2024 Mortgagor") of such 2024 Project, including the sale, assignment or other disposition of the 2024 Mortgage Loan or such 2024 Project, and including the proceeds of any mortgage insurance or credit enhancement with respect to the 2024 Mortgage Loan that, in the sole judgment of the Agency, is in default, or (ii) the condemnation of such 2024 Project or any part thereof or from hazard insurance proceeds payable with respect to the damage or destruction of such 2024 Project and that are not applied to the repair or reconstruction of such 2024 Project; (b) prepayments (*other than* 2024 Mortgage Loan Mandatory Prepayments) made by a 2024 Mortgagor with respect to a 2024 Project in full or partial satisfaction of its 2024 Mortgage Loan in advance of the due date or dates thereof in accordance with the provisions of such 2024 Mortgage Loan or the provisions of any mortgage insurance or credit enhancement with respect to such 2024 Mortgage Loan, which prepayments may be derived from proceeds of a new series of bonds issued by the Agency; and (c) proceeds of the sale, assignment or other disposition of a 2024 Mortgage Loan (other than a sale, assignment or other disposition made when, in the sole judgment of the Agency, such 2024 Mortgage Loan

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* Preliminary, subject to change.

is in default). See also, "PART 8 – APPLICATION OF PROCEEDS." Accrued interest to the date of redemption will be paid upon redemption.

The 2024 Series A-1 Bonds are subject to redemption, at the option of the Agency, in whole or in part, at any time prior to maturity at the Special Redemption Price from amounts on deposit in the Bond Proceeds Fund (including any Construction Financing Account therein) representing unexpended proceeds of the 2024 Series A-1 Bonds not used to finance the 2024 Mortgage Loans with respect to the 2024 Projects. Accrued interest to the date of redemption will be paid upon redemption.

The "Special Redemption Price" means the redemption price, expressed as a percent, as of a redemption date will be equal to: (A) in the case of a 2024 Series A-1 Bond initially sold with original issue premium, the present value of the remaining payments of principal of and interest on such 2024 Series A-1 Bond to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the initial offering yield of such 2024 Series A-1 Bond, as shown on the inside cover pages of this Official Statement, divided by the principal amount of such 2024 Series A-1 Bond to be redeemed; such redemption price determined by assuming that the principal of such 2024 Series A-1 Bond to be redeemed is paid at the earlier of maturity or the first optional redemption date for the 2024 Series A-1 Bond (if applicable), as described above, or (B) in the case of a 2024 Series A-1 Bond initially sold at par or a discount, 100% of the principal amount of such 2024 Series A-1 Bond.

Sinking Fund Redemption for the 2024 Series A-1 Bonds

The 2024 Series A-1 Bonds maturing on December 15, 2039, December 15, 2044, December 15, 2049 and June 15, 2054 (the "2024 Series A-1 Term Bonds") are subject to redemption prior to maturity through Sinking Fund Payments established by the 2024 Series A Resolution on the dates set forth below and in the respective principal amounts set forth opposite each such date (the particular 2024 Series A-1 Term Bonds or portions thereof are to be selected by the Trustee as provided in the General Resolution), in each case at a Redemption Price of one hundred percent (100%) of the principal amount of the 2024 Series A-1 Term Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption:

2024 Series A-1 Term Bonds maturing on December 15, 2039

Redemption Date	Principal Amount	Redemption Date	Principal Amount
June 15, 2037	$575,000	Dec. 15, 2038	$620,000
Dec. 15, 2037	590,000	June 15, 2039	635,000
June 15, 2038	605,000	Dec. 15, 2039†	650,000

† Stated maturity.

2024 Series A-1 Term Bonds maturing on December 15, 2044

Redemption Date	Principal Amount	Redemption Date	Principal Amount
June 15, 2040	$670,000	Dec. 15, 2042	$760,000
Dec. 15, 2040	685,000	June 15, 2043	780,000
June 15, 2041	705,000	Dec. 15, 2043	800,000
Dec. 15, 2041	720,000	June 15, 2044	820,000
June 15, 2042	740,000	Dec. 15, 2044†	840,000

† Stated maturity.

2024 Series A-1 Term Bonds maturing on December 15, 2049

Redemption Date	Principal Amount	Redemption Date	Principal Amount
June 15, 2045	$860,000	Dec. 15, 2047	$980,000
Dec. 15, 2045	885,000	June 15, 2048	1,005,000
June 15, 2046	905,000	Dec. 15, 2048	1,030,000
Dec. 15, 2046	930,000	June 15, 2049	1,055,000
June 15, 2047	955,000	Dec. 15, 2049†	1,085,000

† Stated maturity.

2024 Series A-1 Term Bonds maturing on June 15, 2054

Redemption Date	Principal Amount	Redemption Date	Principal Amount
June 15, 2050	$1,110,000	Dec. 15, 2052	$1,265,000
Dec. 15, 2050	1,140,000	June 15, 2053	1,295,000
June 15, 2051	1,170,000	Dec. 15, 2053	1,330,000
Dec. 15, 2051	1,200,000	June 15, 2054†	36,330,000
June 15, 2052	1,230,000		

† Stated maturity.

Upon the purchase or redemption of any 2024 Series A-1 Bonds for which Sinking Fund Payments shall have been established, other than by application of Sinking Fund Payments or as described in the preceding paragraph, an amount equal to the principal amount of the 2024 Series A-1 Bonds so purchased or redeemed shall be credited by the Trustee against future Sinking Fund Payments as directed by the Agency at the time of such purchase or redemption or, in the absence of such direction, in direct chronological order.

Selection of Bonds to be Redeemed

In the event of a redemption of less than all of the 2024 Series A-1 Bonds, the maturity or maturities and initial CUSIP number(s) of the 2024 Series A-1 Bonds to be so redeemed, and the principal amount thereof to be redeemed, will be determined by the Agency in its sole discretion.

In the event of redemption of less than all of the 2024 Series A-1 Bonds of the same maturity and initial CUSIP number, the Trustee will select the Bonds of such maturity and initial CUSIP number to be redeemed by lot, using such method of selection as it deems proper in its sole discretion.

Notice of Redemption

In the event that any 2024 Series A-1 Bonds are to be redeemed, notice of redemption shall be mailed, postage prepaid, not less than twenty (20) days before the redemption date to the registered Holders of any such 2024 Series A-1 Bonds or portions of 2024 Series A-1 Bonds to be redeemed at their last addresses, if any, appearing on the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of any such 2024 Series A-1 Bonds. Failure to receive any such notice or any defect in any such notice to the registered Holder of any such 2024 Series A-1 Bonds or portions of such 2024 Series A-1 Bonds to be redeemed shall not affect the validity of such proceedings for redemption of such 2024 Series A-1 Bonds or portions thereof. If, on the redemption date, monies for the redemption of the 2024 Series A-1 Bonds or portions thereof to be redeemed, together with interest to the redemption date, are held by the Trustee so as to be available therefor on said date and if notice of redemption has been given, then, from and after the redemption date, interest on the 2024 Series A-1 Bonds or portions thereof so called for redemption shall cease to accrue. Any notice of a redemption of

2024 Series A-1 Bonds at the option of the Agency may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such 2024 Series A-1 Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

PART 7 — DESCRIPTION OF THE 2024 SERIES A-2 BONDS

General

The 2024 Series A-2 Bonds with CUSIP _____ will bear interest, computed on the basis of a 360-day year and 30-day month, from their date of delivery to but excluding June 15, 2029* (the "2029 Mandatory Tender Date"), payable on each June 15 and December 15, commencing June 15, 2025, at the fixed rate per annum set forth on the inside cover pages of this Official Statement. The 2024 Series A-2 Bonds with CUSIP _____ will bear interest, computed on the basis of a 360-day year and 30-day month, from their date of delivery to but excluding December 15, 2030* (the "2030 Mandatory Tender Date"; the 2029 Mandatory Tender Date and the 2030 Mandatory Tender Date are each a "Mandatory Tender Date"), payable on each June 15 and December 15, commencing June 15, 2025, at the fixed rate per annum set forth on the inside cover pages of this Official Statement. The 2024 Series A-2 Bonds will be subject to mandatory tender for purchase, at a Purchase Price equal to one hundred percent (100%) of the amount thereof plus accrued interest, on the applicable Mandatory Tender Date if not redeemed or purchased prior to such date.

The 2024 Series A-2 Bonds are also subject to optional redemption or mandatory tender at the option of the Agency and special redemption or special mandatory tender at the option of the Agency prior to the applicable Mandatory Tender Date, as described below.

This Official Statement in general describes the 2024 Series A-2 Bonds only prior to the applicable Mandatory Tender Date or to the earlier date, if any, on which such Bonds are purchased upon mandatory tender at the option of the Agency.

The 2024 Series A-2 Bonds will be issued only as fully registered bonds in principal denominations of $100,000 or any integral multiple of $5,000 in excess of $100,000.

The Record Date with respect to any Interest Payment Date for the 2024 Series A-2 Bonds shall be the 1st day of the calendar month of such Interest Payment Date.

The 2024 Series A-2 Bonds will be issued under a book-entry only system, and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as bond depository for the 2024 Series A-2 Bonds. Principal or redemption price of and interest on the 2024 Series A-2 Bonds are payable by U.S. Bank Trust Company, National Association, New York, New York, as Trustee and Paying Agent, to Cede & Co., so long as Cede & Co. is the registered owner of the 2024 Series A-2 Bonds, as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. See "PART 9 — BOOK-ENTRY ONLY SYSTEM" below.

Redemption or Mandatory Tender Provisions for the 2024 Series A-2 Bonds*

The 2024 Series A-2 Bonds are subject to optional redemption or mandatory tender and special redemption prior to their applicable Mandatory Tender Date, all as described below.

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* Preliminary, subject to change.

Optional Redemption or Mandatory Tender at the Option of the Agency

The 2024 Series A-2 Bonds with CUSIP _____ are subject to redemption or mandatory tender for purchase, at the option of the Agency, in whole or in part, at any time prior to their 2029 Mandatory Tender Date on and after April 15, 2027, at a Redemption Price or Purchase Price of 100% of the principal amount of such 2024 Series A-2 Bonds or portions thereof to be redeemed or purchased, plus accrued interest to the date of redemption or purchase.

The 2024 Series A-2 Bonds with CUSIP _____ are subject to redemption or mandatory tender for purchase, at the option of the Agency, in whole or in part, at any time prior to their 2030 Mandatory Tender Date on and after December 15, 2028, at a Redemption Price or Purchase Price of 100% of the principal amount of such 2024 Series A-2 Bonds or portions thereof to be redeemed or purchased, plus accrued interest to the date of redemption or purchase.

Special Redemption from Unexpended 2024 Series A-2 Bond Proceeds

The 2024 Series A-2 Bonds are subject to redemption, at the option of the Agency, in whole or in part, at any time prior to their Mandatory Tender Date, at a Redemption Price of 100% of the principal amount of the 2024 Series A-2 Bonds or portions thereof to be so redeemed, plus accrued interest to the date of redemption, in an amount not in excess of amounts on deposit in the Bond Proceeds Fund (including any Construction Financing Account therein) representing unexpended proceeds of the 2024 Series A-2 Bonds not used to finance the 2024 Mortgage Loans with respect to the 2024 Projects.

Provisions with respect to Redemption of 2024 Series A-2 Bonds

Selection of Bonds to be Redeemed

In the event of a redemption of less than all of the 2024 Series A-2 Bonds, the initial CUSIP number(s) of the 2024 Series A-2 Bonds to be so redeemed, and the principal amount thereof to be redeemed, will be determined by the Agency in its sole discretion.

In the event of redemption of less than all of the 2024 Series A-2 Bonds of the same initial CUSIP number, the Trustee will select the 2024 Series A-2 Bonds of such initial CUSIP number to be redeemed by lot, using such method of selection as it deems proper in its sole discretion.

Notice of Redemption

In the event that any 2024 Series A-2 Bonds are to be redeemed, notice of redemption shall be mailed, postage prepaid, not less than twenty (20) days before the redemption date and not less than one (1) day before the redemption date in the case of a redemption of 2024 Series A-2 Bonds in an amount equal to monies received by the Agency on behalf of a 2024 Mortgagor as a Mortgage Loan Mandatory Prepayment in whole or in part of a 2024 Series A Mortgage Loan, to the registered Holders of any such 2024 Series A-2 Bonds or portions of 2024 Series A-2 Bonds to be redeemed at their last addresses, if any, appearing on the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of any such 2024 Series A-2 Bonds. Failure to receive any such notice or any defect in any such notice to the registered Holder of any such 2024 Series A-2 Bonds or portions of such 2024 Series A-2 Bonds to be redeemed shall not affect the validity of such proceedings for redemption of such 2024 Series A-2 Bonds or portions thereof. If, on the redemption date, monies for the redemption of the 2024 Series A-2 Bonds or portions thereof to be redeemed, together with interest to the redemption date, are held by the Trustee so as to be available therefor on said date and if notice of redemption has been given, then, from and after the redemption date, interest on the 2024 Series A-2 Bonds or portions thereof so called for redemption shall cease to accrue. Any notice of a redemption of 2024 Series A-2 Bonds at the option of the Agency may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such 2024 Series A-2 Bonds or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Provisions with respect to Tenders of 2024 Series A-2 Bonds

If only a portion of the 2024 Series A-2 Bonds of a CUSIP number are to be subject to mandatory tender for purchase, the Bonds to be tendered (which shall be in authorized denominations) shall be selected by the Trustee by lot, using such method as it shall determine in its sole discretion except that the Trustee shall not select any 2024 Series A-2 Bond for tender which would result in any remaining 2024 Series A-2 Bond not being in an authorized denomination as provided in the Resolutions.

The Trustee is required to deliver, or mail by first class mail, postage prepaid, to the owner of each 2024 Series A-2 Bond subject to mandatory tender for purchase, at its address shown on the registration books of the Agency held by the Trustee, a notice not later than fifteen (15) days prior to the mandatory tender date. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. Such notice shall set forth, in substance, that such owners shall be deemed to have tendered their affected 2024 Series A-2 Bonds for purchase on such mandatory tender date and the Purchase Price for such 2024 Series A-2 Bonds.

Owners of affected 2024 Series A-2 Bonds shall be required to tender their affected 2024 Series A-2 Bonds to the Tender Agent for purchase at the Purchase Price on the mandatory tender date with an appropriate endorsement for transfer to the Tender Agent, or accompanied by a bond power of attorney endorsed in blank. Any 2024 Series A-2 Bonds not so delivered to the Tender Agent on or prior to the purchase date (the "Undelivered Bonds") for which there has been irrevocably deposited in trust with the Trustee or Tender Agent an amount of moneys sufficient to pay the Purchase Price of such Undelivered Bonds shall be deemed to have been purchased at the Purchase Price on the mandatory tender date. IN THE EVENT OF A FAILURE BY AN OWNER OF AFFECTED 2024 SERIES A-2 BONDS TO DELIVER ITS AFFECTED 2024 SERIES A-2 BONDS ON OR PRIOR TO THE APPLICABLE MANDATORY TENDER DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE MANDATORY TENDER DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFITS OF THE RESOLUTIONS, EXCEPT FOR THE PAYMENT OF THE PURCHASE PRICE THEREFOR.

No liquidity facility has been obtained to pay the Purchase Price of any 2024 Series A-2 Bonds that are tendered and not remarketed. In the event that on a mandatory tender date the Tender Agent does not hold sufficient moneys to pay the Purchase Price of all 2024 Series A-2 subject to mandatory tender on such date, then (i) in the case of a mandatory tender of 2024 Series A-2 Bonds at the direction of the Agency prior to their Mandatory Tender Date as described above under "Redemption or Mandatory Tender Provisions for the 2024 Series A-2 Bonds—Optional Redemption or Mandatory Tender at the Option of the Agency", such mandatory tender shall be cancelled, and (ii) in the case of the mandatory tender of 2024 Series A-2 Bonds on their applicable Mandatory Tender Date, the 2024 Series A-2 Bonds subject to mandatory tender on such date shall be redeemed in whole on such date at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to such date.

In the event that any Mandatory Tender Date is a day that is not a Business Day, such Mandatory Tender Date instead shall be deemed the next succeeding Business Day.

PART 8 —APPLICATION OF PROCEEDS

The 2024 Series A Bonds are being issued for the purpose of financing the Authorized Purpose of making mortgage loans for the construction or acquisition and rehabilitation of certain multi-family rental housing projects as described herein.

2024 Projects

The proceeds of the 2024 Series A Bonds are expected to be used to finance the 2024 Mortgage Loans for the 2024 Projects described in APPENDIX F hereto. In addition to the 2024 Mortgage Loans for the 2024 Projects, the 2024 Mortgagors may have arranged for other sources of funds for the construction or acquisition and rehabilitation of their respective 2024 Projects including the proceeds of the sale of any federal low income housing tax credits and/or State low income housing tax credits ("Housing Tax Credits") allocated to their respective 2024 Projects. The proceeds of the 2024 Series A Bonds expected to be used to finance the 2024 Mortgage Loans for the 2024 Projects will not exceed the total development costs of the 2024 Projects. Each 2024 Mortgage Loan for a 2024 Project will be secured by a letter of credit obtained by the applicable 2024 Mortgagor (a "Construction LOC") from the date such 2024 Mortgage Loan is financed until completion of construction or rehabilitation. Upon the satisfaction of certain conditions, including the completion of construction or rehabilitation, each such 2024 Mortgage Loan is expected to be converted to a permanent 2024 Mortgage Loan. The 2024 Projects are expected to benefit from certain subsidy programs and are expected to include energy efficiency standards and features, as shown in APPENDIX F hereto. See also "APPENDIX G—Green Standards—Agency Energy and Green Building Requirements."

2024 Mortgagors

Each of the 2024 Mortgagors is a single-purpose for-profit entity formed for the purpose of acquiring, constructing or rehabilitating and operating the applicable 2024 Project. As such, the 2024 Mortgagors have not previously engaged in any other business operations, do not intend to engage in any other business operations, have no historical earnings and have no assets other than their respective interests in the 2024 Projects. Accordingly, it is expected that no 2024 Mortgagor will have sources of funds other than revenues generated by the applicable 2024 Project to make payments on its 2024 Mortgage Loan following completion of construction or rehabilitation.

Certain factors which may affect the Mortgagor's ability to make payments required under its respective Mortgage Loan include, among other things, the timely completion of construction or rehabilitation of the applicable 2024 Project, the achievement and maintenance of a sufficient level of occupancy and rents, the ability to achieve and maintain sufficient revenues to cover operating expenses, including taxes, utility rates, insurance premiums and maintenance costs, and changes in applicable laws and governmental regulations. In addition, the continued feasibility of a 2024 Project may depend in part upon general economic conditions and other factors in the surrounding area of such 2024 Project. See "PART 6 – DESCRIPTION OF THE 2024 SERIES A-1 BONDS—Redemption Provisions for the 2024 Series A-1 Bonds—Special Redemption" and "PART 7 – DESCRIPTION OF THE 2024 SERIES A-2 BONDS—Redemption or Mandatory Tender Provisions for the 2024 Series A-2 Bonds—Optional Redemption or Mandatory Tender at the Option of the Agency."

2024 Mortgage Terms

Each of the 2024 Mortgage Loans will be evidenced by a mortgage note payable to the Agency and secured by a first mortgage lien on the applicable 2024 Project. The 2024 Mortgage Loans are each expected to contain provisions prohibiting the applicable 2024 Mortgagor from making any prepayments (other than prepayments described in "PART 6 – DESCRIPTION OF THE 2024 SERIES A-1 BONDS—Redemption Provisions for the 2024 Series A-1 Bonds—Special Redemption") prior to approximately seventeen (17) years after the closing of the applicable 2024 Mortgage Loan.

Each 2024 Mortgagor will enter into a Regulatory Agreement with the Agency (a "Regulatory Agreement") that requires a certain number of units in the applicable 2024 Project to be occupied by households with incomes at or below a specified percentage of area median income ("AMI"). A 2024 Mortgagor's failure to meet certain requirements including, but not limited to, making rental units available to tenants whose gross income does not exceed a certain percentage of AMI, restricting the rent charged to certain tenants, or failure to comply with the requirements of a Supplemental Security provider, could result in an event of default and acceleration of a 2024 Mortgage Loan. An acceleration of such 2024 Mortgage Loan generally requires the provider of the 2024 Mortgage Loan's credit enhancement to pay the outstanding principal and interest due on such 2024 Mortgage Loan to the Agency and which would result in the redemption of 2024 Series A Bonds.

2024 Mortgage Loan Mandatory Prepayments. The 2024 Mortgagors will each be required to make a Mortgage Loan Mandatory Prepayment (the "2024 Mortgage Loan Mandatory Prepayments") as shown in the table in APPENDIX F hereto, upon completion of the construction or rehabilitation, as the case may be, of the applicable 2024 Project. Said prepayments are expected to result in the redemption of an equal principal amount of the applicable 2024 Series A-2 Bonds on or prior to their Mandatory Tender Date. See "PART 7 – DESCRIPTION OF THE 2024 SERIES A-2 BONDS—Redemption or Mandatory Tender Provisions for the 2024 Series A-2 Bonds—Optional Redemption or Mandatory Tender at the Option of the Agency." Although a significant source of funds for such 2024 Mortgage Loan Mandatory Prepayments is expected to come from the sale of Housing Tax Credits and other sources as described above under "—2024 Projects," the 2024 Mortgage Loan Mandatory Prepayments are required to be made by each of the 2024 Mortgagors whether or not the proceeds from the sale of Housing Tax Credits or such other sources are available in a sufficient amount. Failure by a 2024 Mortgagor to make the required 2024 Mortgage Loan Mandatory Prepayment will be a default under the applicable 2024 Mortgage Loan. See "PART 6 – DESCRIPTION OF THE 2024 SERIES A-1 BONDS—Redemption Provisions for the 2024 Series A-1 Bonds—Special Redemption" and "PART 7 – DESCRIPTION OF THE 2024 SERIES A-2 BONDS—Redemption or Mandatory Tender Provisions for the 2024 Series A-2 Bonds—Optional Redemption or Mandatory Tender at the Option of the Agency."

2024 Mortgage Loans and Construction LOCs

Each 2024 Mortgage Loan will be secured by a Construction LOC until completion of construction or rehabilitation, as the case may be, and conversion to permanent financing. The Construction LOCs will not be pledged to the Holders of the 2024 Series A Bonds, nor will any payments received by the Agency pursuant to the Construction LOCs. The Construction LOC supporting the applicable 2024 Mortgage Loan will not terminate prior to the scheduled payment date of the applicable 2024 Mortgage Loan Mandatory Prepayment for the applicable 2024 Project. The Construction LOCs will be drawn upon by the Agency to make the required mortgage payments on the applicable 2024 Mortgage Loan, including the applicable 2024 Mortgage Loan Mandatory Prepayment.

If the applicable 2024 Mortgagor fails to reimburse the provider of the Construction LOC for the amount drawn, the provider may, immediately or at any time thereafter, direct the Agency to draw on the Construction LOC in an amount equal to the outstanding principal balance of the applicable 2024 Mortgage Loan plus accrued interest. Following such a draw, a portion of the Outstanding 2024 Series A Bonds in an amount equal to the outstanding amount of such 2024 Mortgage Loan would be redeemed. In addition, the Construction LOC supporting the applicable 2024 Mortgage Loan could be drawn upon in the event that such 2024 Mortgage Loan is otherwise in default. See "PART 6 – DESCRIPTION OF THE 2024 SERIES A-1 BONDS—Redemption Provisions for the 2024 Series A-1 Bonds—Special Redemption" and "PART 7 – DESCRIPTION OF THE 2024 SERIES A-2 BONDS—Redemption or Mandatory Tender Provisions for the 2024 Series A-2 Bonds—Optional Redemption or Mandatory Tender at the Option of the Agency."

PART 9 — BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's book-entry system has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2024 Series A Bonds. References to the 2024 Series A Bonds under this caption "Book-Entry Only System" shall mean all 2024 Series A Bonds, the beneficial interests in which are owned in the United States. The 2024 Series A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2024 Series A Bond certificate will be issued for the 2024 Series A Bonds of each maturity (as used under this heading, bonds of like maturity, interest rate and initial CUSIP number) of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2024 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the related 2024 Series A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 Series A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Series A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2024 Series A Bonds, except in the event that use of the book-entry system for the 2024 Series A Bonds is discontinued.

To facilitate subsequent transfers, all 2024 Series A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2024 Series A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Series A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Series A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2024 Series A Bonds of like series and maturity are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in the 2024 Series A Bonds of such series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2024 Series A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2024 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the 2024 Series A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Agency or the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Agency, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The Agency and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the 2024 Series A Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the 2024 Series A Bonds, giving any notice permitted or required to be given to registered owners under the Resolutions, registering the transfer of the 2024 Series A Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Agency and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the 2024 Series A Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of the Agency (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the 2024 Series A Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by the Agency; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to any series of the 2024 Series A Bonds at any time by giving reasonable notice to the Agency or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2024 Series A Bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) for any series of the 2024 Series A Bonds. In that event, 2024 Series A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the 2024 Series A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE AGENCY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE 2024 Series A Bonds.

So long as Cede & Co. is the registered owner of the 2024 Series A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the 2024 Series A Bonds (other than under the caption "PART 14 — TAX MATTERS" and "PART 20 — CONTINUING DISCLOSURE" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2024 Series A Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of 2024 Series A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

THE AGENCY SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON, THE 2024 SERIES A BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO 2024 SERIES A BONDHOLDERS UNDER THE RESOLUTIONS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS A 2024 SERIES A BONDHOLDER; (5) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2024 SERIES A BONDS; OR (6) ANY OTHER MATTER.

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PART 10 — DEBT SERVICE REQUIREMENTS

The following schedule sets forth, for each 12-month period ending March 31 of the years shown, the amounts required for the payment of debt service on the 2024 Series A Bonds, for the payment of debt service on other outstanding State Personal Income Tax Revenue Bonds and the aggregate total during each such period.

	2024 Series A Bonds				
12-Month Period Ending March 31	**Principal Payments**	**Interest Payments**	**Total Debt Service**	**Other Outstanding NYS Personal Income Tax Revenue Bonds Debt Service(1)(2)(3)**	**Aggregate Debt Service(1)(3)**
2025				$2,081,279,115	
2026				2,537,025,736	
2027				2,058,886,579	
2028				2,345,117,586	
2029				2,459,517,260	
2030				3,815,789,030	
2031				3,776,711,433	
2032				3,570,146,587	
2033				3,124,521,728	
2034				2,890,046,149	
2035				2,763,542,529	
2036				2,558,976,755	
2037				2,449,092,061	
2038				2,375,649,272	
2039				2,281,109,431	
2040				2,153,109,364	
2041				2,046,053,338	
2042				1,931,079,181	
2043				1,824,151,956	
2044				1,787,838,444	
2045				1,698,988,644	
2046				1,629,341,294	
2047				1,579,163,094	
2048				1,471,536,894	
2049				1,330,111,569	
2050				1,125,739,006	
2051				668,458,131	
2052				506,251,669	
2053				389,319,275	
2054				389,312,275	
2055				275,456,325	
2056				275,447,525	
2057				275,453,906	
2058				118,096,400	
2059				118,098,650	
2060				31,324,000	
2061				31,325,500	
2062				31,327,500	
2063				31,326,750	
Total				**$62,805,721,941**	

(1) Interest on $74,615,000 principal amount of outstanding State Personal Income Tax Revenue Bonds that bear interest at variable rates is calculated based on an assumed rate of 3.5 percent.

(2) The information set forth under the column captioned "Other Outstanding NYS Personal Income Tax Revenue Bonds Debt Service" reflects debt service on outstanding State Personal Income Tax Revenue Bonds and on State Personal Income Tax Revenue Bonds contractually obligated to be issued and delivered by Authorized Issuers as of the date of this Official Statement. The State expects that Authorized Issuers will be issuing State Personal Income Tax Revenue Bonds from time to time and to the extent that such other State Personal Income Tax Revenue Bonds are either issued or contractually obligated to be issued and delivered pursuant to one or more executed bond purchase agreements or bond awards after the date of this Official Statement, this Official Statement will not be supplemented to reflect such updated information.

(3) Totals may not add due to rounding.

PART 11 — ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the 2024 Series A Bonds:

Sources of Funds	Series 2024A-1	Series 2024A-2	Total
Principal Amount of 2024 Series A Bonds	$	$	$
Net Original Issue Premium..............			
Total Sources................................	$	$	$
Uses of Funds			
Deposit to Bond Proceeds Fund	$	$	$
Costs of Issuance*			
Underwriters' Fee..............................			
Total Uses.....................................	$	$	$

* Includes New York State Bond Issuance Charge.

PART 12 — THE AGENCY

The Agency was created in 1960 by the Agency Act and is a corporate governmental agency, constituting a public benefit corporation. The legislation creating the Agency determined the purpose thereof to be, in part, the providing of safe and sanitary housing accommodations, at rentals which families and persons of low income can afford, and which the ordinary operations of private enterprise cannot provide. To accomplish such purpose, the Agency is authorized to issue its bonds and notes to the investing public in order to encourage the investment of private capital through the Agency in mortgage loans to housing companies and eligible borrowers which, subject to State or Federal regulations as to rents, profits, dividends and disposition of their property, supply housing accommodations, and other facilities incidental or appurtenant thereto, to such families and persons.

The membership of the Agency consists of the Commissioner of Housing and Community Renewal, the Director of the Budget, the Commissioner of Taxation and Finance of the State of New York, one member appointed by the Temporary President of the Senate, one member appointed by the Speaker of the Assembly, and four additional members appointed by the Governor with the advice and consent of the Senate. The Governor designates from among the members appointed by her a Chairman, who serves as such during his term as a member. The Chairman of the Agency is also the chairman of the State of New York Municipal Bond Bank Agency ("MBBA"), the Tobacco Settlement Financing Corporation ("TSFC") and the New York State Affordable Housing Corporation ("AHC"). The members appointed by the Governor serve for the full or unexpired portions of six-year terms.

The Agency's present members and principal officers are:

Steven J. Weiss	-	Chairman
Joyce L. Miller	-	Member
Bethaida Gonzalez	-	Member
Sadie McKeown	-	Member
Blake G. Washington	-	Director of the Budget of the State of New York
James McIntyre	-	Member (Representative of the Temporary President of the Senate)
Amanda Hiller	-	Acting Commissioner of Taxation and Finance of the State of New York
RuthAnne Visnauskas	-	Commissioner of Housing and Community Renewal of the State of New York
	-	President and Chief Executive Officer
Vacant	-	Member
Elizabeth Mallow	-	Senior Vice President and Executive Deputy Commissioner
	-	Chief Operating Officer
Will Martin	-	Senior Vice President and Counsel to the Agency
Ted Podest	-	Senior Vice President and Chief Financial Officer
Darryl Johnson	-	Vice President and Deputy Chief Financial Officer

Certain of the Agency's officers currently also serve in the same capacities for the State of New York Mortgage Agency, AHC, MBBA and TSFC.

The Agency and its corporate existence will continue until terminated by law; provided, however, that no such law will take effect so long as the Agency has bonds, notes or other obligations outstanding. The powers of the Agency, as defined in the Act, are vested in and exercised by no less than six of the members thereof then in office. The Agency may delegate to one or more of its members, or its officers, agents and employees, such powers and duties as it may deem proper.

The Agency is authorized to issue bonds and notes to provide funds for the purpose of making mortgage loans to limited-profit housing companies, non-profit housing companies, urban rental housing companies, owners of multi-family Federally-aided projects, owners of multi-family housing accommodations, nursing home companies, non-profit hospital and medical corporations, community development corporations, community mental health services and community mental retardation services companies, non-profit corporations authorized to provide youth facilities projects, and community senior citizens centers and services companies; for the purpose of making loans to lending institutions to finance mortgage loans for multi-family housing accommodations; for the purpose of making equity loans to mutual housing companies, and certain other corporations, organized in accordance with the provisions of the Private Housing Finance Law; for the purpose of financing health facilities for municipalities constituting social service districts; for the purpose of making payments to certain public benefit corporations of the State to provide funds to repay the State for amounts advanced to finance the cost of various housing assistance programs administered by such public benefit corporations; and for the purpose of the refunding of any bonds, notes or other obligations issued by the State or a State corporation then outstanding, the payment of debt service and related expenses of which are subject to appropriation by the State and not otherwise secured by a dedication of specific revenues, as permitted by law. The Agency is also authorized to issue bonds and notes to provide funds for the purpose of making mortgage loans to projects combining non-profit housing and health facilities.

As of October 31, 2023, to provide funds for the aforementioned purposes the Agency had issued bonds in the approximate aggregate principal amount of $42,787,100,000 (unaudited) of which approximately $18,094,334,000 (unaudited) was outstanding. The bonds issued and to be issued for the aforementioned purposes (other than the 2024 Series A Bonds and any additional Bonds that may be issued under the General Resolution) are not and will not be secured by the Pledged Property. The 2024 Series A Bonds and any such additional Bonds are not and will not be secured by the property pledged by the Agency for the purpose of securing other bonds issued by the Agency.

From time to time, legislation is introduced on the federal and State levels which, if enacted into law, could affect the Agency and its operations. The Agency is not able to represent whether such bills will be introduced in the future or become law. In addition, the State undertakes periodic studies of public authorities in the State (including the Agency) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, could affect the Agency and its operations.

Each of the 2024 Projects has been approved as of the date of this Official Statement for financing by the New York State Public Authorities Control Board ("PACB"). The PACB was created by the State for the purpose, among others, of approving the financing and construction of projects of the Agency and certain other State public authorities. The PACB has been given authority to approve the financing and construction of any new or reactivated projects proposed by the Agency and certain other State public authorities. The PACB is authorized to approve proposed new projects only upon its determination that there are commitments sufficient to provide for the permanent financing of the projects.

Caine Mitter & Associates Incorporated acted as financial advisor to the Agency in connection with the sale and issuance of the 2024 Series A Bonds.

PART 13 — AGREEMENT OF THE STATE

The Agency Act provides that the State pledges and agrees with the holders of any notes or bonds issued under the Agency Act that the State will not limit or alter the rights vested by the Agency Act in the Agency to fulfill the terms of any agreements made with the holders thereof or in any way impair the rights and remedies of such holders until such notes or bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The General Resolution includes such pledge with respect to the Bonds to the fullest extent enforceable under applicable federal and State law. Nevertheless, nothing shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the New York State Personal Income Tax imposed pursuant to Article 22, Article 24 and Article 24-A of the Tax Law. An Event of Default under the General Resolution would not occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter such taxes and fees.

PART 14 — TAX MATTERS

The Code and the Treasury regulations promulgated thereunder or applicable thereto (the "Treasury Regulations") impose substantial requirements and restrictions on bonds issued as part of an "issue" of bonds, such as the 2024 Series A Bonds, the interest on which is not included in gross income for Federal income tax purposes and the proceeds of which are used to finance multifamily mortgage loans.

Opinions of Co-Bond Counsel

In the opinions of Hawkins Delafield & Wood LLP and Pearlman & Miranda LLC, Co-Bond Counsel to the Agency, under existing statutes and court decisions, (i) interest on the 2024 Series A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any 2024 Series A Bond for any period during which such 2024 Series A Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the 2024 Series A Bonds or a "related person" and (ii) interest on the 2024 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the 2024 Series A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering their opinions, Co-Bond Counsel have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Agency, the 2024 Mortgagors and others, in connection with the 2024 Series A Bonds, and Co-Bond Counsel have assumed compliance by the Agency and the 2024 Mortgagors with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2024 Series A Bonds from gross income under Section 103 of the Code.

In addition, in the opinions of Hawkins Delafield & Wood LLP and Pearlman & Miranda LLC, Co-Bond Counsel to the Agency, under existing statutes, interest on the 2024 Series A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Co-Bond Counsel to the Agency express no opinion as to any other Federal, state or local tax consequences arising with respect to the 2024 Series A Bonds, or the ownership or disposition thereof, except as stated above. Co-Bond Counsel to the Agency render their opinions under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise or supplement their opinions to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Co-Bond Counsel to the Agency express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Co-Bond Counsel to the Agency express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding Federal, state or local tax matters, including, without limitation, exclusion from gross income for Federal income tax purposes of interest on the 2024 Series A Bonds.

Summary of Certain Federal Tax Requirements

Under applicable provisions of the Code, the exclusion from gross income of interest on the 2024 Series A Bonds for purposes of Federal income taxation requires that (i) at least 40% (25% for any 2024 Project located in New York City) of the units in each 2024 Project be occupied during the "Qualified Project Period" (defined below) by individuals whose incomes, determined in a manner consistent with Section 8 of the United States Housing Act of 1937, as amended, do not exceed 60% of the median income for the area, as adjusted for family size, and (ii) all of the units of each 2024 Project be rented or available for rental on a continuous basis during the Qualified Project Period. "Qualified Project Period" for each 2024 Project means a period commencing upon the later of (a) occupancy of 10% of the units in such 2024 Project or (b) the date of issue of the 2024 Series A Bonds, and running until the later of (i) the date which is 15 years after occupancy of 50% of the units in such 2024 Project, (ii) the first date on which no tax-exempt private activity bonds issued with respect to such 2024 Project are outstanding or (iii) the date on which any assistance provided with respect to such 2024 Project under Section 8 of the 1937 Housing Act terminates. Such 2024 Project will meet the continuing low income requirement as long as the income of the individuals occupying the unit does not increase to more than 140% of the applicable limit. Upon an increase over 140% of the applicable limit, the next available unit of comparable or smaller size in such 2024 Project must be rented to an individual having an income that does not exceed the applicable income limitation.

In the event of noncompliance with the requirements described in the preceding paragraph arising from events occurring after the issuance of the 2024 Series A Bonds, the Treasury Regulations provide that the exclusion of interest from gross income for Federal income tax purposes will not be impaired if the Agency takes appropriate corrective action within a reasonable period of time after such noncompliance is first discovered or should have been discovered by the Agency.

Certain Additional Federal Tax Requirements and Covenants

The Code establishes certain additional requirements that must be met subsequent to the issuance and delivery of the 2024 Series A Bonds in order that interest on the 2024 Series A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2024 Series A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the 2024 Series A Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Agency and each Mortgagor of a 2024 Project have covenanted or will covenant to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2024 Series A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the 2024 Series A Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a 2024 Series A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the 2024 Series A Bonds.

Prospective owners of the 2024 Series A Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the 2024 Series A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a 2024 Series A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the 2024 Series A Bonds. In general, the issue price for each maturity of 2024 Series A Bonds is expected to be the initial public offering price set forth on the cover pages of the Official Statement. Co-Bond Counsel further each are of the opinion that, for any 2024 Series A Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2024 Series A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such 2024 Series A Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

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

Bond Premium

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

Information Reporting and Backup Withholding

Information reporting requirements apply to interest (including original issue discount) paid on tax-exempt obligations, including the 2024 Series A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2024 Series A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2024 Series A Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2024 Series A Bonds under Federal or state law or otherwise prevent beneficial owners of the 2024 Series A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2024 Series A Bonds.

Prospective purchasers of the 2024 Series A Bonds should consult their own tax advisors regarding the foregoing matters.

PART 15 — NO LITIGATION

At the time of delivery and payment for the 2024 Series A Bonds, the Agency will deliver, or cause to be delivered, a certificate of an officer of the Agency substantially to the effect that, to the best of such officer's knowledge, there is no litigation or other proceeding of any nature now pending or, to such officer's knowledge, threatened against or adversely affecting the Agency of which the Agency has notice or, to such officer's knowledge, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2024 Series A Bonds or the financing of the 2024 Mortgage Loans, or in any way contesting or affecting the validity of the 2024 Series A Bonds, the Resolutions, the Master Disclosure Agreement (as defined below), any agreement related to the 2024 Series A Bonds to which the Agency is a party or any proceedings of the Agency taken with respect to the issuance or sale of the 2024 Series A Bonds or the financing of the 2024 Mortgage Loans, or the pledge, collection or application of any monies or security provided for the payment of the Bonds (including the 2024 Series A Bonds), or the existence, powers or operations of the Agency, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, if any.

The Agency is involved in certain litigation and disputes incidental to its operations. Upon the basis of information currently available, the Agency believes that there are substantial defenses to such litigation and disputes and that, in any event, the ultimate liability, if any, resulting from such litigation and disputes will not materially adversely affect the financial position of the Agency.

PART 16 — CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the 2024 Series A Bonds are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, and Pearlman & Miranda LLC, New York, New York, Co-Bond Counsel to the Agency, and to certain other conditions. The approving opinions of Co-Bond Counsel will be delivered with the 2024 Series A Bonds. The proposed forms of such opinions are included in this Official Statement as "APPENDIX E—PROPOSED FORMS OF CO-BOND COUNSEL OPINIONS."

Certain legal matters will be passed on for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

PART 17 — UNDERWRITING

Jefferies LLC, on behalf of the Underwriters of the 2024 Series A Bonds (the "Underwriters"), has agreed, subject to the terms of the Purchase Contract with the Agency relating to the 2024 Series A Bonds (the "Purchase Contract"), to purchase the 2024 Series A Bonds from the Agency. The Purchase Contract provides, in part, that subject to certain conditions, the Underwriters will purchase the 2024 Series A Bonds from the Agency at a purchase price of $____________ (representing the principal amount of the 2024 Series A Bonds, plus a net original issue premium of $____________), and will make a public offering of the 2024 Series A Bonds at prices that are not in excess of the public offering price or prices (or less than the yields) stated on the inside cover pages of this Official Statement, and that the Underwriters will receive an underwriting fee of $____________. The Underwriters will be obligated to purchase all of the 2024 Series A Bonds if any 2024 Series A Bonds are purchased. The 2024 Series A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The following paragraphs have been provided by the Underwriters:

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform various investment banking services for the Agency, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Agency.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Agency as Underwriters) for the distribution of the offered bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

PART 18 — LEGALITY OF INVESTMENT

Under New York State law, the 2024 Series A Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control. However, enabling legislation or bond resolutions of individual authorities and public benefit corporations of the State may limit the investment of funds of such authorities and corporations in the 2024 Series A Bonds.

PART 19 — RATING

The 2024 Series A Bonds are rated “Aa1” with by Moody’s Investors Service, Inc. Such rating reflects only the view of such rating agency and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit rating will continue for any given period of time or that the same will not be revised downward or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2024 Series A Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

PART 20 — CONTINUING DISCLOSURE

In order to assist the Underwriters of the 2024 Series A Bonds to comply with Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended, each of the Authorized Issuers, the State, and each of the trustees under the general resolutions have entered into a written agreement, dated as of May 1, 2002, and amended and restated as of July 1, 2009, as of December 1, 2010, and as of June 10, 2019 (the “Master Disclosure Agreement”) for the benefit of all holders of State Personal Income Tax Revenue Bonds, including the holders of the 2024 Series A Bonds. The parties to the Master Disclosure Agreement have agreed to provide continuing disclosure of certain financial and operating data concerning the State and the sources of the Revenue Bond Tax Fund Receipts (collectively, the “Annual Information”) in accordance with the requirements of Rule 15c2-12 and as described in the Master Disclosure Agreement. The Division of the Budget will electronically file with the Municipal

Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system on or before 120 days after the end of each State fiscal year, commencing, for the 2024 Series A Bonds, with the fiscal year ending March 31, 2025. An executed copy of the Master Disclosure Agreement is attached hereto as "APPENDIX D—EXECUTED COPY OF MASTER CONTINUING DISCLOSURE AGREEMENT."

The State Comptroller is required by existing law to issue audited annual financial statements of the State, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), within 120 days after the close of the State Fiscal Year, and the State will undertake to electronically file with the MSRB, the State's annual financial statements prepared in accordance with GAAP and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, provided, however, that if audited financial statements are not then available unaudited financial statements shall be filed no later than 120 days after the end of the State's fiscal year and such audited statements shall be electronically filed with the MSRB, if and when such statements are available. In addition, the Authorized Issuers have agreed in the Master Disclosure Agreement to electronically file with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of any of the sixteen (16) events described in the Master Disclosure Agreement, notice of any such events.

If any party to the Master Disclosure Agreement fails to comply with any provisions thereof, then each of the other parties to the Master Disclosure Agreement and, as a direct or third party beneficiary, as the case may be, any holder of State Personal Income Tax Revenue Bonds, including the holders of the 2024 Series A Bonds, may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the Master Disclosure Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties thereunder. The parties to the Master Disclosure Agreement, however, are not obligated to enforce the obligations of the others. The sole and exclusive remedy for breach or default under the Master Disclosure Agreement to provide the continuing disclosure described above is an action to compel specific performance of the obligations of the State and/or the applicable Authorized Issuer contained therein, and no person or other entity, including any holder of State Personal Income Tax Revenue Bonds, including the holders of the 2024 Series A Bonds, may recover monetary damages thereunder under any circumstances. Any holder or beneficial owner of State Personal Income Tax Revenue Bonds, including the holders of 2024 Series A Bonds, may enforce the Master Disclosure Agreement to the equal and proportionate benefit of all holders and beneficial owners similarly situated to the extent provided in the Master Disclosure Agreement. A breach or default under the Master Disclosure Agreement shall not constitute an Event of Default under the general resolutions. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Master Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided. The obligations of the State under the Master Disclosure Agreement may be terminated if the State ceases to be an obligated person as defined in Rule 15c2-12.

The State has not in the previous five years failed to comply, in any material respect, with the Master Disclosure Agreement or any other previous undertakings or agreements pursuant to Rule 15c2-12 in relation to State Personal Income Tax Revenue Bonds. Pursuant to the terms of the Master Disclosure Agreement, the Agency, as conduit issuer of State Personal Income Tax Revenue Bonds, has agreed in such agreement to provide notices of certain events as described in such agreement and has complied with such contractual undertaking in all material respects.

Continuing disclosure agreements with respect to prior series of bonds issued by the Agency under other bond resolutions required that annual financial statements of the Agency and financial and operating data be filed with the MSRB within 180 days after the end of each fiscal year. The Agency failed to timely file its annual financial statements for the Fiscal Year ending October 31, 2022 ("Fiscal Year 2022") with the MSRB, caused by the Agency's implementation, in Fiscal Year 2022, of new data management software. On May 1, 2023, the Agency filed a notice with the MSRB of its failure to make such filing. The Agency filed its annual financial statements for Fiscal Year 2022 on June 13, 2023 with the MSRB. Under the Agency's agreement to provide continuing disclosure with respect to bonds issued under other bond resolutions, during the past five years, the Agency filed annual financial and operating data for the year ended October 31, 2020 five days late. In addition, the Agency became aware that some CUSIP numbers for outstanding bonds and other bonds were not linked to the timely filed annual financial statements and/or financial and operating data and the Agency has corrected such linkage issues. The Agency does not have an obligation under the Master Continuing Disclosure Agreement to provide annual financial statements or operating data.

The Master Disclosure Agreement contains a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and if an undertaking calls for information that no longer can be generated because the operations to which it is related have been materially changed or discontinued, a statement to that effect will be provided. As a result, it is not anticipated that it often will be necessary to amend the information undertakings. The Master Disclosure Agreement, however, may be amended or modified without Bondholders' consent under certain circumstances set forth therein.

PART 21 — MISCELLANEOUS

Certain information concerning the State (which is either included in or appended to this Official Statement) has been furnished or reviewed and authorized for use by the Agency by such sources as described in this Official Statement. While the Agency believes that these sources are reliable, the Agency has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources.

The State provided the information relating to the State in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK."

The Director of the Budget is to certify that the statements and information appearing (a) under the headings (i) "PART 1—SUMMARY STATEMENT" (except under the subcaption "Purposes of Issue" and except for the sixth, tenth (last sentence only) and eleventh paragraphs under the subcaption "Sources of Payment and Security for State Personal Income Tax Revenue Bonds—Revenue Bond Tax Fund Receipts," as to which no representation is made), (ii) "PART 2—INTRODUCTION" (the second, third, fifth, sixth, eighth, ninth, tenth, twelfth and fourteenth (other than the last sentence thereof) paragraphs only), (iii) "PART 3—SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS," (iv) "PART 4—SOURCES OF REVENUE BOND TAX FUND RECEIPTS," (v) "PART 10—DEBT SERVICE REQUIREMENTS" as to the column "Other Outstanding NYS Personal Income Tax Revenue Bonds Debt Service," and (vi) "PART 20—CONTINUING DISCLOSURE" (the first sentence of the fourth paragraph only), and (b) in the "Annual Information Statement of the State of New York," including any updates or supplements, included in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK" to this Official Statement are true, correct and complete in all material respects, and that no facts have come to his attention that would lead him to believe that such statements and information contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements and information, in light of the circumstances under which they were made, not misleading, provided, however, that while the information and statements contained under such headings and in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK" which were obtained from sources other than the State are not certified as to truth, correctness or completeness, such statements and information have been obtained from sources that he believes to be reliable and he has no reason to believe that such statements and information contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements and information, in light of the circumstances under which they were made, not misleading; provided, further, however, that with regard to the statements and information in "APPENDIX A—INFORMATION CONCERNING THE STATE OF NEW YORK" hereto under the caption "Litigation," such statements and information as to legal matters are given to the best of his information and belief, having made such inquiries as he deemed appropriate at the offices of the Department of Law of the State, without any further independent investigation. The certification is to apply both as of the date of this Official Statement and as of the date of delivery of the 2024 Series A Bonds.

Public Resources Advisory Group is acting as financial advisor to the Division of the Budget in connection with the sale and issuance of the 2024 Series A Bonds.

The references herein to the Agency Act, the Enabling Act, other laws of the State, the General Resolution and the Financing Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference should be made to each for a full and complete statement of its provisions. The agreements of the Agency with the registered Holders of the 2024 Series A Bonds are fully set forth in the General Resolution (including any supplemental resolutions thereto), and neither any advertisement of the 2024 Series A Bonds nor this Official Statement is to be construed as a contract with the purchasers of the 2024 Series A Bonds. So far as any statements are made in this Official Statement involving matters of opinion, forecasts or estimates, whether or not expressly stated, are intended merely as expressions of opinion, forecasts or estimates and not as representations of fact. A copy of the General Resolution is available for review upon request directed to the Public Information Office of the Agency, 641 Lexington Avenue, New York, N.Y. 10022, Tel. (212) 688-4000. A copy of the Financing Agreement appears as Appendix C hereto.

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The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by the Agency.

NEW YORK STATE HOUSING FINANCE AGENCY

By: ______________________________

President and Chief Executive Officer

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APPENDIX A

INFORMATION CONCERNING THE STATE OF NEW YORK

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APPENDIX A

INFORMATION CONCERNING THE STATE OF NEW YORK

The State Legislature is not legally obligated to appropriate amounts for the payment of principal of, sinking fund installments, if any, or interest on the obligations to which this Official Statement relates. For information about the sources of payment of such obligations, the foregoing Official Statement to which this Appendix A is attached should be read in its entirety. The continued willingness and ability of the State, however, to make the appropriations and otherwise provide for the payments contemplated in the foregoing Official Statement, and the market for and market prices of the obligations, may depend in part upon the financial condition of the State.

Appendix A contains the Annual Information Statement of the State of New York ("Annual Information Statement" or "AIS"), as updated or supplemented to the date specified therein. The State intends to update and supplement that Annual Information Statement as described therein. It has been supplied by the State to provide information about the financial condition of the State in the Official Statements of all issuers, including public authorities of the State, that may depend in whole or in part on State appropriations as sources of payment of their respective bonds, notes or other obligations.

The AIS set forth in this Appendix A is dated May 24, 2024. The AIS was filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS can be accessed through the EMMA system at www.emma.msrb.org. An official copy of the AIS may be obtained by contacting the Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 473-8705. An informational copy of the AIS is available on the Internet at http://www.budget.ny.gov.

The Basic Financial Statements and Other Supplementary Information for the State fiscal year ended March 31, 2024 were prepared by the State Comptroller in accordance with accounting principles generally accepted in the United States of America and independently audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Basic Financial Statements and Other Supplementary Information were issued on July 25, 2024 and have been referred to or set forth thereafter in appendices of information concerning the State in Preliminary Official Statements and Official Statements of the State and certain of its public authorities. The Basic Financial Statements and Other Supplementary Information, which are included in the Comprehensive Annual Financial Report, may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236 Tel: (518) 474-4015.

The Annual Information Statement of the State of New York (including any and all updates and supplements thereto) may not be included in an Official Statement or included by reference in an Official Statement without the express written authorization of the State of New York, Division of the Budget, State Capitol, Albany, NY 12224.

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ANNUAL INFORMATION STATEMENT

STATE OF NEW YORK

WE ARE NY

May 24, 2024

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INTRODUCTION

This Annual Information Statement for FY 2025 (AIS) is dated May 24, 2024 (the same date as the release date of the FY 2025 Enacted Budget Financial Plan) and contains information only through that date, unless otherwise noted. This AIS constitutes the official disclosure regarding the financial condition of the State of New York (the "State") and related matters and replaces the AIS dated June 9, 2023 and all updates and supplements issued in connection therewith. By statute, DOB is responsible for preparing and updating the State's Financial Plan (which includes financial results as well as current and out-year projections). DOB then utilizes the Financial Plan results and projections to present the information that appears in this AIS on behalf of the State. Historically, the AIS has been updated on a quarterly basis, and it may be supplemented from time to time as developments warrant. This AIS, including the Exhibits attached hereto, should be read in its entirety, together with any updates and supplements that may be issued during the fiscal year.

In this AIS, readers will find:

1. Information on the State's current financial projections, including summaries and extracts from the State's fiscal year 2025 (FY 2025)[1] Enacted Budget Financial Plan (the “Enacted Budget Financial Plan” or “Financial Plan”) issued by the Division of the Budget (DOB) on May 24, 2024. The Financial Plan sets forth the State’s official financial projections for FY 2025 through FY 2028 (the “Financial Plan period”). It includes, among other things, information on the major components of the FY 2025 General Fund gap-closing plan, future potential General Fund budget gaps, multi-year projections of receipts and disbursements for the State's operating funds, the impact on debt measures, and the anticipated debt issuances required to support planned capital spending. This AIS is dated the same date as the release date of the Financial Plan and contains information only through this date, except for certain explanatory information not contained in the Financial Plan which DOB has determined does not materially change the projections contained in the Financial Plan.

   DOB expects to complete the first quarterly update to the FY 2025 Enacted Budget Financial Plan in July 2024. However, given (i) the relatively short period of time since the release date of the FY 2025 Enacted Budget Financial Plan, and (ii) DOB's current analysis of preliminary operating results for the first quarter of FY 2025, DOB does not anticipate that there will be material changes in the State's financial condition to mandate the release of a first quarterly update to the AIS. **Accordingly, DOB does not anticipate that it will be preparing and releasing a first quarterly update to this AIS and instead expects the next update of this AIS to be released following the mid-year update to the Enacted Budget Financial Plan.**

2. A discussion of issues and risks that may affect the State's financial projections during FY 2025 or in future fiscal years is provided under the heading “Other Matters Affecting the Financial Plan”.

[1] The State fiscal year is identified by the calendar year in which it ends. For example, fiscal year 2025 (“FY 2025”) is the fiscal year that began on April 1, 2024 and will end on March 31, 2025.

3. Information on other subjects relevant to the State's finances, including summaries of: (a) operating results for the three prior fiscal years (presented on a cash basis of accounting), (b) the State's revised economic forecast and a profile of the State economy, (c) the State's debt and other financing activities, (d) activities of public authorities and localities, and (e) information regarding State government employment.
4. Updated information regarding the State Retirement System.
5. The status of significant litigation that has the potential to adversely affect the State's finances.

The annual State budget process and financial reporting cycle begins with the start of a new State fiscal year on April 1 and the enactment of the State's annual budget (the "Enacted Budget"), which may be after the start of the fiscal year. Following the Enacted Budget, DOB publishes the State's Enacted Budget Financial Plan and generally updates it quarterly to reflect results through June 30 (the "First Quarterly Update to the Financial Plan"), September 30 (the "Mid-Year Update to the Financial Plan"), and December 31 (the "Executive Budget Financial Plan"). In addition, the Governor's Executive Budget proposal (the "Executive Budget") is typically submitted to the Legislature in January and the Governor's amendments are due within thirty days following the submission of the Executive Budget, at which time the Executive Budget Financial Plan may be amended (the "Updated Executive Budget Financial Plan"). However, in State fiscal years where a gubernatorial election occurs, the Governor's Executive Budget proposal is due on or before the first day of February and amendments are due in early March.

In preparing this AIS, DOB has also relied on information drawn from other sources, including the Office of the State Comptroller (OSC). In particular, information contained in the section entitled "State Retirement System" has been furnished by OSC, while information relating to matters described in the section entitled "Litigation" has been furnished by the State Office of the Attorney General. DOB has not undertaken any independent verification of the information contained in these sections of this AIS.

During the fiscal year, the Governor, the State Comptroller, State legislators, and others may issue statements or reports that contain predictions, projections, or other information relating to the State's financial position or condition, including potential operating results for the current fiscal year and projected budget gaps for future fiscal years, that may vary materially from the information provided in this AIS. Investors and other market participants should, however, refer to this AIS, as updated or supplemented, for the most current official information regarding the financial position of the State.

Factors affecting the State's financial condition are numerous and complex. This AIS contains "forward-looking statements" relating to future results and economic performance as defined in the Private Securities Litigation Reform Act of 1995. Since many factors may materially affect fiscal and economic conditions in the State, the forecasts, projections, and estimates should not be regarded as a representation that actual results will not vary. The forward-looking statements contained herein are based on the State's expectations at the time they were prepared and are necessarily dependent upon assumptions, estimates, calculations, and data that it believes are reasonable as of the date made, but that may be incorrect, incomplete or imprecise or not reflective of actual results. Forecasts, projections, and estimates are not intended as representations of fact or guarantees of results. The words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “calculates,” “assumes” and analogous expressions are intended to identify forward-looking statements. Any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from projections. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions, including climate change and extreme weather events; epidemics or pandemics; cybersecurity events; impediments to the implementation of gap-closing actions; regulatory initiatives and compliance with governmental regulations; litigation; Federal tax law changes; actions by the Federal government to reduce or disallow expected aid, including Federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to the State; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of the State. These forward-looking statements are based on the State's expectations as of the date of this AIS.

Note that all FY 2024 financial results contained within this AIS are unaudited and preliminary. The annual independent audit of the State’s Basic Financial Statements for the fiscal year ending March 31, 2024 is expected to be completed by July 28, 2024. Both the Comptroller’s Annual Report to the Legislature on State Funds Cash Basis of Accounting and the State’s Basic Financial Statements are due by July 28, 2024. These reports will contain the final FY 2024 financial results. Copies may be obtained by contacting the Office of the State Comptroller, 110 State Street, Albany, NY 12236. The Basic Financial Statements for FY 2023 are available in electronic form at www.osc.state.ny.us and at www.emma.msrb.org.

In addition to regularly scheduled quarterly updates to this AIS, the State may issue AIS supplements or other disclosure notices related to this AIS as events warrant. The State intends to announce publicly whenever an update or a supplement is issued. The State may choose to incorporate by reference all or a portion of this AIS in official statements or related disclosure documents for State or State-supported debt issuances. The State has filed this AIS with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. An electronic copy of this AIS can be accessed through EMMA at www.emma.msrb.org. An official copy of this AIS may be obtained by contacting the New York State Division of the Budget, State Capitol, Albany, NY 12224, Tel: (518) 474-2302.

Usage Notice

This AIS has been prepared and made available by the State pursuant to its contractual undertakings under various continuing disclosure agreements (CDAs) entered into by the State in connection with financings of the State, as well as certain issuers, including public authorities of the State, that may depend in whole or in part on State appropriations as sources of payments of their respective bonds, notes or other obligations.

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Neither this AIS nor any portion thereof may be: (i) included in a preliminary official statement, official statement, or other offering document, or incorporated by reference therein, unless DOB has expressly consented thereto following a written request to the State of New York, Division of the Budget, State Capitol, Albany, NY 12224, or (ii) considered to be continuing disclosure in connection with any offering unless a CDA relating to the offered series of bonds or notes has been executed by DOB. Any such use, or incorporation by reference, of this AIS or any portion thereof in a preliminary official statement, official statement, or other offering document or continuing disclosure filing without such consent and agreement by DOB is unauthorized and the State expressly disclaims any responsibility with respect to the inclusion, intended use, and updating of this AIS if so misused.

BUDGETARY AND ACCOUNTING PRACTICES

Significant Budgetary and Accounting Practices

Unless clearly noted otherwise, all financial information is presented on a cash basis of accounting.[2]

The State accounts for receipts and disbursements by the fund in which the activity takes place (such as the General Fund), and the broad category or purpose of that activity (such as State Operations). The Financial Plan tables present State projections and actuals by fund and category.

Fund types of the State include[3]: the General Fund; State Special Revenue Funds, which receive certain dedicated taxes, fees, and other revenues used for specified purposes; Federal Special Revenue Funds, which receive certain Federal receipts; State and Federal Capital Projects Funds, which account for costs incurred in the construction, maintenance, and rehabilitation of roads, bridges, prisons, university facilities, and other infrastructure projects; and Debt Service Funds, which account for the payment of principal, interest, and related expenses for debt issued by the State and on the State's behalf by its public authorities.

The State's **General Fund** receives most State taxes and all income not earmarked for a specified program or activity. State law requires the Governor to submit, and the Legislature to enact, a General Fund Budget that is balanced on a cash basis of accounting. The State Constitution and State Finance Law do not provide a precise definition of budget balance. In practice, the General Fund is considered balanced if sufficient resources are, or are expected to be, available during the fiscal year for the State to: (a) make all planned payments, including Personal Income Tax (PIT) refunds, without the issuance of deficit notes or bonds, or extraordinary cash management actions; (b) restore the balances in the Tax Stabilization Reserve Fund and the Rainy Day Reserve Fund (collectively, the "Rainy Day Reserves") to levels at or above those on deposit when the fiscal year began; and (c) maintain other reserves, as required by law. For purposes of calculating budget balance, the General Fund includes transfers to and from other funds.

The General Fund is the sole financing source for the School Tax Relief (STAR) fund and is typically the financing source of last resort for the State's other major funds, including the Health Care Reform Act (HCRA) Fund, the Dedicated Highway and Bridge Trust Fund (DHBTF), and the Lottery Fund. Therefore, General Fund projections account for any estimated funding shortfalls in these funds. Since the General Fund is required by law to be balanced, the focus of the State's budgetary and gap-closing discussion in the Financial Plan is generally weighted toward the General Fund.

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[2] State Finance Law also requires the Division of the Budget to prepare a pro forma Financial Plan using, to the extent practicable, Generally Accepted Accounting Principles (GAAP). The GAAP-basis Financial Plan is informational only. DOB does not use it as a benchmark for planning or managing State finances during the fiscal year and does not update it on a quarterly basis. The GAAP-basis Financial Plan follows, to the extent practicable, the accrual methodologies and fund accounting rules applied by OSC in preparation of the audited Basic Financial Statements, but there can be no assurance that the pro forma GAAP financial plan conforms fully to GAAP.

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

At times, DOB will informally designate unrestricted balances in the General Fund for specific policy goals (e.g., reserve for economic uncertainties; reserve for timing of payments). These amounts are typically, but not uniformly, identified with the phrase “reserved for.” These unrestricted amounts are not held in distinct accounts within the General Fund and may be used for other purposes.

Projections for future years may show budget gaps or budget surpluses in the General Fund. Budget gaps represent the difference between: (a) the projected General Fund disbursements, including transfers to other funds, needed to maintain current service levels and specific commitments, and (b) the projected level of resources, including transfers from other funds, to pay for these disbursements. The General Fund projections are based on many assumptions and are developed by DOB in conjunction with other State agencies. Some projections are based on specific, known information (e.g., a statutory requirement to increase payments to a prescribed level), while others are based on more uncertain or speculative information (e.g., the pace at which a new program will enroll recipients). In general, the multi-year projections assume that money appropriated in one fiscal year will continue to be appropriated in future years, even for programs that were not created in permanent law and that the State has no obligation to fund. Funding levels for nearly all State programs are reviewed annually in the context of the current and projected fiscal positions of the State.

State Operating Funds is a broader measure of spending on operations (as distinct from capital purposes) that is funded with State resources. It includes financial activity in the General Fund, as well as State-funded Special Revenue Funds and Debt Service Funds (spending from Capital Projects Funds and Federal Funds is excluded). As significant financial activity occurs in funds outside the General Fund, the State Operating Funds perspective is, in DOB’s view, a more comprehensive measure of operations funded with State resources (e.g., taxes, assessments, fees and tuition). The State Operating Funds perspective eliminates certain distortions in operating activities that may be caused by, among other things, the State's complex fund structure and the transfer of money between funds. For example, the State funds its share of the jointly financed (Federal, State, and Local) Medicaid program from both the General Fund and State Special Revenue Funds. The State Operating Funds perspective captures Medicaid disbursements from both fund types, giving a more complete accounting of State-funded Medicaid disbursements. Accordingly, projections often emphasize the State Operating Funds perspective.

The Financial Plan projections reflect certain actions that have affected, or are intended to affect, the amount of annual spending reported on a State Operating Funds basis. Such actions include but are not limited to: payment of certain operating costs using available resources outside the State Operating Funds basis of reporting. If transactions are not executed or reported in a manner consistent with DOB’s interpretation of the legislation and legislative intent, then annual spending growth in State Operating Funds would be higher than projections.

The State also reports disbursements and receipts activity for All Governmental Funds (All Funds), which includes spending from Capital Projects Funds and Federal Funds, in addition to State Operating Funds. The All Funds basis is the most comprehensive view of the cash-basis financial operations of the State.

The term “actual” or “actuals” is used throughout the Financial Plan and this AIS to align with fiscal publications released by the State Comptroller. These terms are synonymous with the term “results” also used in the narrative discussion and refer to year-to-date and year-end actual but unaudited performance data.

Differences may occur from time to time between DOB and OSC financial reports in presentation and reporting of receipts and disbursements. For example, DOB may reflect a net disbursement amount while OSC may report the gross expenditure amount. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds and All Funds).

FINANCIAL PLAN OVERVIEW

FINANCIAL PLAN AT-A-GLANCE: KEY MEASURES (millions of dollars)	FY 2024 Actuals	FY 2025 Projected
State Operating Funds Disbursements (Unadjusted)		
Size of Budget	$128,473	$132,042
Annual Growth	3.8%	2.8%
State Operating Funds Disbursements (Adjusted)[1]		
Size of Budget	$127,049	$139,330
Annual Growth	5.7%	9.7%
Other Disbursement Measures		
General Fund (Including Transfers)	$100,117	$107,772
Annual Growth	7.9%	7.6%
Capital Budget (State and Federal)	$14,708	$17,642
Annual Growth	4.9%	19.9%
Federal Operating Aid	$91,686	$89,484
Annual Growth	10.9%	-2.4%
All Funds	$234,867	$239,168
Annual Growth	6.5%	1.8%
Inflation (CPI)	3.5%	3.0%
All Funds Receipts[2]		
Taxes, excluding PTET	$106,668	$109,920
Annual Growth	-6.2%	3.0%
Miscellaneous Receipts	$33,755	$31,685
Annual Growth	6.0%	-6.1%
Federal Receipts (Operating and Capital)	$94,276	$94,202
Annual Growth	5.3%	-0.1%
Total All Funds Receipts, excluding PTET	$234,699	$235,807
Annual Growth	-0.2%	0.5%
General Fund Cash Balance	$46,331	$48,515
Principal Reserves	$20,068	$21,568
Timing of PTET/PIT Credits	$14,137	$15,001
Extraordinary Monetary Settlements	$1,110	$691
All Other	$11,016	$11,255
Debt		
Debt Service (excluding prepayments) as % All Funds Receipts	3.0%	1.3%
State-Related Debt Outstanding	$54,319	$62,508
Debt Outstanding as % Personal Income	3.5%	3.9%

1 Spending growth is routinely impacted by planned prepayments, timing-related transactions and reimbursements. Adjusted State Operating Funds disbursements excludes these large transactions. Both unadjusted and adjusted spending includes non-recurring grants and aid, extraordinary assistance related to asylum seekers and migrants, and other one-time payments that drive growth in FY 2025.

2 The Financial Plan impact of the Pass-Through Entity Tax program is expected to be revenue neutral for the State and is excluded from tax receipts herein, unless otherwise noted.

Overview

The Governor submitted the FY 2025 Executive Budget, with amendments, to the Legislature on February 15, 2024. DOB estimated that the Executive Budget, if adopted without modification, would have provided for balanced General Fund operations in FY 2025, leaving budget gaps of $5 billion in FY 2026, $5.2 billion in FY 2027, and $9.9 billion in FY 2028, totaling $20.1 billion.

On March 28, 2024, the Legislature enacted the annual debt service appropriations, without amendment, in advance of the new fiscal year that began on April 1. On April 15, 2024, the Governor and legislative leaders reached agreement on the outlines of the budget, and the Legislature completed final action on the budget bills on April 20, 2024. The Governor completed her review of the budget bills on May 1, 2024. DOB estimates that the budget enacted by the Legislature and approved by the Governor is balanced in FY 2025, as required by law. The Legislative session concluded on June 8, 2024. The Legislature did not adopt any legislation with significant fiscal impacts.

The final budget agreement includes key elements proposed by the Governor in her Executive Budget. The Enacted Budget does not increase taxes; expands access to affordable housing; enhances public safety, including combatting retail theft; provides increased funding for schools, health care, child care, mental health access, higher education, increased wages, and expanded service delivery; and continues aid to the City of New York for the provision of care for thousands of asylum seekers and migrants. The Enacted Budget also provides further increases to fund schools; hospitals; other health care providers and workers; mental health access and care; university systems; tuition assistance expansion; temporary municipal assistance; enhanced pension benefits for Tier 6 State and local employees; and a supplemental child tax credit for eligible families through the Empire State Child Credit. In addition, the Financial Plan includes $58 million in non-recurring funding for the Medical Indemnity Fund to maintain minimum funding levels that allow for continued enrollment.

In FY 2025, State Operating Funds spending is projected to total $132 billion, an increase of nearly $3.6 billion (2.8 percent) from FY 2024. Spending growth is routinely impacted by planned prepayments and timing-related transactions and reimbursements. Excluding these transactions, and consistent with prior Executive presentations, spending growth is projected at 9.7 percent. However, FY 2025 spending includes nearly $5 billion in non-recurring additions and investments, including extraordinary assistance related to asylum seekers and migrants, and other one-time payments. Excluding these actions, adjusted FY 2025 spending would increase by approximately 6 percent.

The Enacted Budget Financial Plan includes an updated economic forecast and revisions to receipts and spending estimates across all fiscal years, as well as savings over multiple years recognized from the management of prior year resources. DOB estimates these revisions and resources are sufficient in FY 2025 to both fund the negotiated additions and restorations to the budget and allow for an increase to reserves needed to maintain the 15 percent of spending benchmark. Compared to the FY 2025 Executive Budget projections, the cumulative gaps over the Financial Plan period (FY 2026 through FY 2028) are reduced by nearly one-third, from $20.1 billion to $13.9 billion, due mainly to the upward revisions in projected receipts reflected in the Enacted Budget Financial Plan. The gaps in the outyears are now projected at $2.3 billion in FY 2026, $4.3 billion in FY 2027, and $7.3 billion in FY 2028.

All Funds tax receipts for FY 2024 were higher than projected, exceeding both the initial projection at the start of FY 2024 and the last projection in the FY 2025 Executive Budget Financial Plan. At the time the initial projections were prepared, economic forecasters were expecting a global economic slowdown, rising unemployment, and warning of geopolitical uncertainty which were expected to weaken revenues. In contrast to the recession scenarios expected at the outset of 2023, higher than expected real Gross Domestic Product (GDP) growth rates, robust growth in labor markets with low unemployment, improving incomes as well as performance-related bonuses, particularly in the finance and insurance sectors, supported better than expected growth in income tax revenues. The improved performance and bonuses boosted receipts in the last quarter of FY 2024, which, combined with disbursements falling substantially below budgeted levels, resulted in the State ending FY 2024 in a stronger overall position[4].

Resources available at the close of FY 2024 have been carried forward through the prepayment of expenses and advances to reduce costs in future years of the Financial Plan, and as available fund balances for use in future years. In addition, the fiscal conditions at year-end supported a $250 million deposit to the Retiree Health Benefit Trust Fund (RHBTF) in March 2024. The positive FY 2024 results, in part, are reflected through forecast revisions across all years of the Financial Plan as upward revisions in projected receipts and downward adjustments to spending.

The State's financial position is expected to remain strong over the multi-year plan. However, outyear budget gaps are projected as spending growth is expected to exceed available resources and will need to be addressed in future years. Nonetheless, Rainy Day Reserves have increased to the highest levels in history, debt levels remain steady with no growth in debt outstanding over the past decade, historic liquidity levels are delivering high investment returns, new reserves have been established for future costs, and excess resources have been managed to benefit future years and reduce reliance on costly debt. At the same time, the State has made notable investments in services and programs, significantly increasing assistance to schools and health care providers, while expanding and adding funds in nearly every other area of the budget. To protect these investments from a future economic shock or downturn, and to maintain the benchmark of 15 percent of spending, the Enacted Budget Financial Plan reflects an additional $1.5 billion deposit to the Rainy Day Reserves, bringing the Principal Reserves balance to $21.1 billion[5]. In addition, the Enacted Budget includes a continued $250 million annual deposit to the RHBTF which will be dependent on fiscal conditions.

DOB expects the General Fund to end FY 2025 with a balance of $48.5 billion. Nearly half of the balance consists of Principal Reserves to protect essential services in the event of an economic downturn. The remaining balance is comprised of other reserves that were previously pledged to reduce outyear gaps, manage risks, and support future costs that include tax refunds and liabilities, capital projects, and potential labor agreements.

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4 A detailed summary of FY 2024 results is provided in the "FY 2024 Preliminary Year End Results" herein.
5 Excludes $500 million set aside that is programmed in FY 2026 for asylum seeker assistance.

DOB expects that the General Fund will have sufficient liquidity in FY 2025 to make all planned payments as they become due, and the General Fund balance will continue to benefit the State by providing high levels of investment income due to elevated market interest rates. DOB continues to reserve money on a quarterly basis for debt service payments that are financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax bonds, continues to be set aside as required by law and bond covenants.

Summary of Revisions to the Executive Budget Proposal

The following table summarizes revisions to the multi-year projections that were contained in the Executive Budget Financial Plan, including routine forecast revisions to the multi-year forecast of receipts and disbursements based on operating results since the last update in January 2024. A more detailed table of the revisions appears in the section entitled, “FY 2025 General Fund Financial Plan.”

FY 2025 GENERAL FUND FINANCIAL PLAN REVISIONS TO EXECUTIVE BUDGET ESTIMATES: SAVINGS/(COSTS) (millions of dollars)				
	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(4,974)**	**(5,229)**	**(9,943)**
Negotiated Changes	**(3,131)**	**(1,363)**	**(1,341)**	**(1,198)**
Spending	(2,773)	(1,347)	(1,295)	(1,152)
Non-Recurring	(2,085)	(90)	0	0
Recurring	(206)	(208)	(216)	(196)
Restorations/Modifications	(482)	(1,049)	(1,079)	(956)
Revenue	(358)	(16)	(46)	(46)
Non-Recurring	(350)	0	0	0
Recurring	0	(1)	(31)	(31)
Restorations/Modifications	(8)	(15)	(15)	(15)
Resources/Forecast Revisions	**3,131**	**3,997**	**2,311**	**3,891**
Tax Receipts, excluding PTET	2,595	1,863	2,159	2,536
Other Forecast Revisions/Timing	2,286	2,384	402	1,605
Deposit to Reserves	(1,750)	(250)	(250)	(250)
ENACTED SURPLUS/(GAP) ESTIMATE	**0**	**(2,340)**	**(4,259)**	**(7,250)**

Negotiated Changes

The Enacted Budget includes a net $3.1 billion of additional General Fund spending in FY 2025 compared to the FY 2025 Executive Budget proposal. The adds consist of recurring and non-recurring costs, including restorations and modifications to proposals included in the FY 2025 Executive Budget.

Recurring spending additions carry an estimated cost of roughly $200 million annually. The largest recurring costs include: increasing the cost-of-living adjustment (COLA) from a proposed 1.5 percent up to 2.84 percent, with a 1.7 percent increase for specific support, direct care, clinical, and non-executive administrative staff; expanding tuition assistance program benefits through a minimum award increase from $500 to $1,000 and raising the Tuition Assistance Program (TAP) income threshold; and enhancing retirement benefits for Tier 6 employees by reducing the final average salary calculation window from five to three years.

Non-recurring spending and revenue additions that were added through negotiations with the Legislature and are not continued in subsequent years of the Financial Plan are estimated at roughly $2.4 billion in FY 2025. The largest one-time spending additions include: $500 million to assist distressed hospitals; $350 million in supplemental payments to hospitals and nursing homes; $300 million for the Healthcare Safety Net Transformation Program intended to improve the sustainability of safety net healthcare providers; $350 million for a supplemental child tax credit; $179 million for additional State funding provided to the State University of New York (SUNY) and City University of New York (CUNY); $50 million for temporary municipal assistance in both FY 2025 and FY 2026; and $450 million for funding a variety of program areas and organizations.

In addition, the final budget agreement included the restoration (i.e., rejection) or modification of numerous Executive proposals totaling $490 million in FY 2025, including: rejection of the Executive proposal to provide significant relief for local governments and State taxpayer supported costs by lowering interest charged on judgments against the State and local governments from as high as 9 percent (currently authorized) to a fair-market based interest rate; modification of the inflation factor used to calculate the proposed School Year (SY) 2025 Foundation Aid increase from 2.4 percent to 2.8 percent; and restoration of several proposed Medicaid savings actions.

The cost of restorations is offset partly by negotiated Medicaid changes, including savings from the cost effective administration of the Consumer Directed Personal Assistance Program (CDPAP) by using a single entity akin to the practice of other States, and other available Medicaid resources and forecast revisions.

The FY 2025 Enacted Budget also creates the Healthcare Stability Fund (HSF) and directs the State Medicaid Director to seek Centers for Medicare & Medicaid Services (CMS) approval to implement a Managed Care Organization (MCO) tax, which is like those currently imposed by other states. For example, California's recently approved approach imposes differential rates between Medicaid plans and non-Medicaid plans, thereby minimizing the impact on the commercial insurance market. Prospective revenue generated from the MCO tax will be deposited into the HSF and is expected to be available to fund investments in the health care delivery system and/or offset current State Medicaid costs. However, no such MCO tax revenue is currently assumed in the Financial Plan. In FY 2025, $350 million in one-time General Fund resources will be transferred to the HSF to support $200 million in hospital investments and $150 million in nursing homes, assisted living programs, and hospice. Future HSF activity is dependent on a successful execution of the MCO tax proposal and, as such, there is no State or Federal funding or spending projections beyond FY 2025 in the HSF.

Funding is also included for the Rockefeller Institute of Government, in consultation with various State agencies, to conduct a study of the Foundation Aid formula. The study will assess the current Foundation Aid formula and provide recommendations for its update and modification, with any proposed modifications to be fiscally sustainable for the State, local taxpayers, and school districts. The Institute is required to produce a report of its findings and recommendations by December 1, 2024.

Resources and Forecast Revisions

In FY 2025, the combination of upward revisions to both tax and non-tax receipts, available resources and savings generated from operations in FY 2024, and downward revisions to spending based on prior year results, are more than sufficient to fund the new initiatives and costs included in the FY 2025 Enacted Budget. These resources also support a $1.5 billion deposit to the Rainy Day Reserves, a $250 million deposit to the RHBTF, and a planned $1.5 billion prepayment of FY 2026 expenses.

Tax receipts have been increased annually in comparison to the Executive Budget forecast, based mainly on the improved economic forecast, prior year results, and April 2024 receipts. PIT withholding and current estimated payments finished well above their respective FY 2024 targets in the last public forecast. In addition, stronger FY 2025 wage and tax year 2024 nonwage growth projections resulted in substantial upward revisions to these PIT components. Similarly, corporate franchise tax projections have been increased to reflect stronger year-end results that carry into the outyears and upward revisions to projected corporate profits.

Other resources and forecast revisions reflect increases to non-tax receipts; the management of resources across multiple years, including prepayments and advances; and adjustments to the use of unrestricted balances carried forward from prior years. In FY 2025, the State expects to recoup $1.5 billion from providers related to hospital advances made in prior years, as well as hospital contract advances made in prior years. Investment income has been increased by $800 million in FY 2025, reflecting continued higher interest rates. In addition, $116 million will be allocated from operational reserves to fund retroactive costs associated with the recently settled New York State Correctional Officers and Police Benevolent Association (NYSCOPBA) contract. The forecasts for HCRA and gaming receipts have been revised upward, providing an offset to General Fund spending for Medicaid and School Aid, respectively. Other changes include downward revisions to spending across State operating programs, based on continued underspending experienced in recent years, as well as updated forecasts and programmatic assumptions.

FY 2025 Enacted Budget Financial Plan Summary

The Enacted Budget Financial Plan reflects the FY 2025 Enacted Budget and accompanying legislation, as well as routine quarterly revisions to the projections of receipts and spending in all fiscal years based on prior year and current year results to date, updated forecasts, management of resources across fiscal years, and adjustments to programmatic assumptions.

The Enacted Budget increases FY 2025 State Operating Funds spending by $12.3 billion (9.7 percent) compared to the prior fiscal year, adjusted for the routine management of resources, execution of prepayments, and fluctuations in the timing of transactions across fiscal years that impact reported spending growth. More than one-third of the growth is driven by increased spending on School Aid and Medicaid.

School Aid

The State provides a substantial amount of financial support for public schools through State formula aids and other grants. For over a decade, New York has ranked the highest in the nation for per pupil spending. In SY 2022, New York spent $29,873 per pupil, 91 percent more than the national average of $15,633 per pupil.[6] In SY 2024, approximately 2.5 million kindergarten through 12th grade students are enrolled in the State's public schools, including 181,000 students enrolled in charter schools. Compared to SY 2014 levels, enrollment in the State's public schools has declined by roughly 9 percent (231,000 students). Despite these enrollment declines, State aid has continued to increase each year. From SY 2021 to SY 2024, total School Aid grew by an average of $2.3 billion (7.7 percent) per year (excluding the SY 2022 Pandemic Adjustment restoration), driven primarily by the three-year phase-in of full funding of the Foundation Aid formula. In addition to State aid, school districts have continued to raise revenue through local property tax increases, which when combined with State aid increases and Federal COVID-19 pandemic related assistance, have afforded many districts the ability to amass substantial reserves and surplus balances.

Adding to historic increases in funding over the past three years, the Enacted Budget includes $35.9 billion for School Aid in SY 2025, an increase of approximately $1.4 billion (4.1 percent) from SY 2024, inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal American Rescue Plan Act of 2021 (ARP) funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent). This growth reflects a $934 million (3.9 percent) Foundation Aid increase, driven primarily by the application of a 2.8 percent inflation factor in the Foundation Aid formula.

Since SY 2022, State-funded School Aid will have increased by over $6.6 billion (22.6 percent), inclusive of the Enacted Budget's increase.

[6] Based on U.S. Census Bureau, *2022 Annual Survey of School System Finances*.

Medicaid

The New York State Medicaid Program provides health and long-term care coverage to lower-income children, pregnant women, adults, seniors, and people with disabilities, and is financed jointly by the Federal, State, and Local governments. New York receives the minimum Federal Medicaid matching share of roughly 50 percent. The State has capped local districts' costs at calendar year 2015 levels, shifting the increased costs to the State and saving the City of New York and counties an estimated $7.4 billion in FY 2025. The State offers some of the most comprehensive and extensive Medicaid benefits in the nation, including optional services such as coverage for pharmacy and personal care services, spending $4,114 per capita based on the latest CMS data (Federal Fiscal Year 2022)[7], which was more than any other state. New York's per capita spending was 5 percent higher than the next highest state, New Mexico, which spent $3,906 per capita. Nearly 7.6 million (39 percent) New Yorkers are currently covered by Medicaid. When combined with other public insurance coverage, New York has the highest percentage of people covered by publicly funded medical insurance (Medicaid, Child Health Plus (CHP) and Essential Plan (EP)) in the nation.

In addition to traditional reimbursements, the Medicaid program is also a large contributor of funding to hospitals and nursing homes through various supplemental payment and assistance programs. Medicaid spending growth continues to escalate with increasing utilization of the system, primarily for Managed Long Term Care (MLTC), which is rising with an aging population. In FY 2025, Medicaid spending is projected to total $30.9 billion, an increase of $3.1 billion (11.3 percent) from FY 2024 levels, including $768 million in savings initiatives.

State-share Medicaid spending, including administrative costs, is projected to be $9 billion (40 percent) higher in FY 2025 than the levels recorded three years prior in FY 2022.

Other Spending Growth

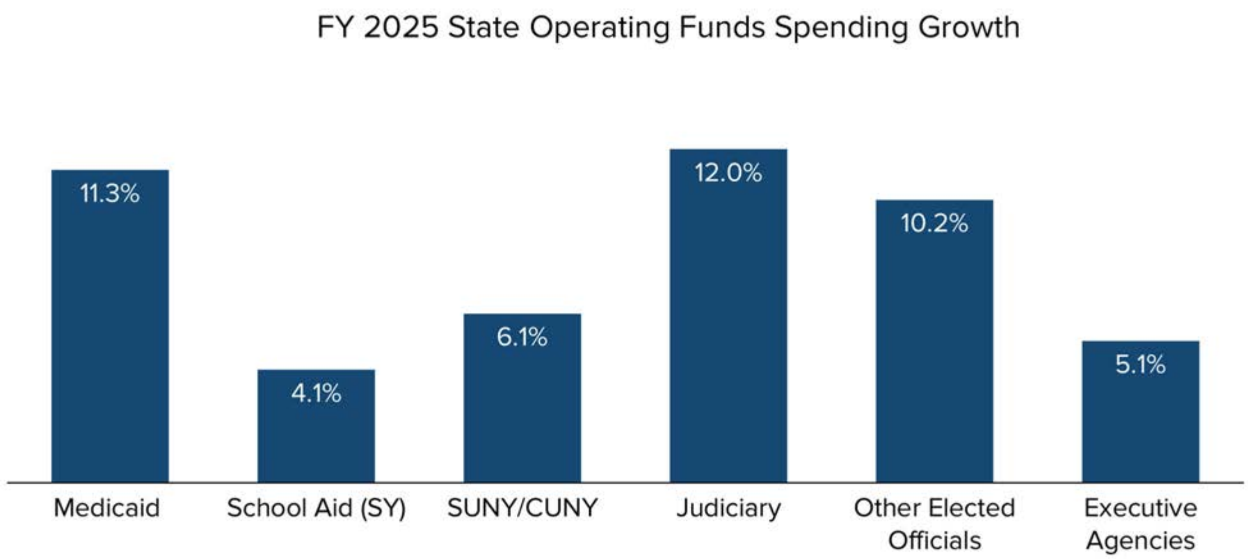
In addition to significant investments made in the past two years, the FY 2025 Budget provides increased funding to other program enhancements and initiatives, including expanding mental health services for children and teens through school and pediatric health care settings; supporting SUNY and CUNY; expanding tuition assistance; increasing pregnant and postpartum services; granting the Department of Financial Services (DFS) authority to hold insurers accountable for mental health coverage; addressing the opioid epidemic; advancing a plan consistent with the recent Federal government waiver approval to improve health care delivery; law enforcement activities; and increasing access to swimming and instruction.

The Enacted Budget also adds substantial new capital funding for Artificial Intelligence (AI) research and innovation; economic development initiatives; energy affordability improvements; incentives for communities to grow their housing stock; and storm and flood risk remediation and protection.

[7] Excludes District of Columbia. Based on U.S. Census Bureau data and the 2022 Centers for Medicare and Medicaid Services Financial Report, Expenditure Reports From MBES/CBES.

State Spending

FY 2025 State Operating Funds spending growth is driven largely by extraordinary assistance related to asylum seekers and migrants, one-time payments, Medicaid, School Aid, SUNY/CUNY, and all branches of State government as agencies continue to restore service capacity and workforce levels to pre-COVID-19 pandemic levels. These spending levels are supported by revenue growth, as well as the routine management of resources, including the execution of prepayments and advances that lower spending in FY 2025.



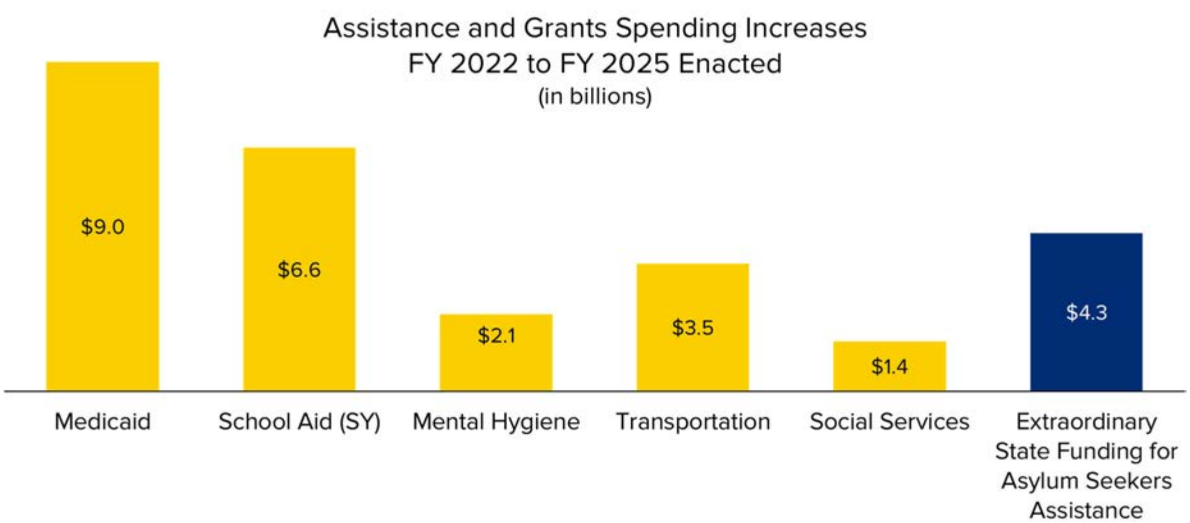
The level of Medicaid spending growth is driven largely by sustained increases in enrollment relative to pre-COVID-19 pandemic levels; expansion of benefits; higher reimbursement rates; and growing utilization of the State's MLTC program by the State's aging population, including CDPAP.

Spending growth is routinely impacted by planned prepayments and timing-related transactions and reimbursements. In FY 2025, spending growth reflects the payment of FY 2025 pension expenses in FY 2024; delayed recoupment from providers of excess payments attributable to State-only Medicaid payments that were previously advanced and are now expected in FY 2025; the expiration of the temporary enhanced Federal Medical Assistance Percentage (eFMAP) which lowered State costs in FY 2024; COVID-19 pandemic-related Federal Emergency Management Agency (FEMA) reimbursements that are expected to lower spending to offset costs accounted for in prior years; and the impact of prior year debt service prepayments. Accounting for these transactions, State Operating Funds spending is projected to total $132 billion, an increase of nearly $3.6 billion (2.8 percent) from FY 2024.

Including spending for capital projects and spending supported by the Federal government, All Funds spending is estimated to total $239.2 billion in FY 2025, an increase of $4.3 billion (1.8 percent), from FY 2024 spending results. The increase in All Funds spending outside of State Operating Funds is attributable to significant increases in capital projects spending consistent with approved and projected capital commitments, partly offset by the end of increased Federal funding and reimbursements for COVID-19 pandemic-related recovery and assistance.

FY 2025 ENACTED BUDGET SPENDING ESTIMATES (millions of dollars)				
	FY 2024 Actuals	FY 2025 Projected	$ Change	% Change
State Operating Funds	**128,473**	**132,042**	**3,569**	**2.8%**
School Aid (School Year Basis)	34,484	35,889	1,405	4.1%
Medicaid	27,804	30,932	3,128	11.3%
All Other Assistance and Grants	27,120	31,878	4,758	17.5%
Agency Operations	31,639	33,914	2,275	7.2%
Debt Service	6,002	6,717	715	11.9%
Resource Management/Timing:				
Planned Pension Prepayment	1,596	(1,596)	(3,192)	-
Hospital Advance/Recoupment	1,497	(1,497)	(2,994)	-
Temporary eFMAP	(1,703)	0	1,703	-
FEMA Reimbursement	(961)	(500)	461	-
Prior Year Debt Service Prepayments	995	(3,695)	(4,690)	-
Federal Operating	**91,686**	**89,484**	**(2,202)**	**-2.4%**
Capital Projects	**14,708**	**17,642**	**2,934**	**19.9%**
All Funds	**234,867**	**239,168**	**4,301**	**1.8%**
State Operating Funds (Adjusted)	**127,049**	**139,330**	**12,281**	**9.7%**

Spending for assistance and grants has grown from $72 billion in FY 2022, adjusted to exclude COVID-19 pandemic assistance and recovery spending, to over $97 billion in projected spending for FY 2025. The $25 billion (35 percent) increase reflects historic investments over the preceding years in education, health care and other assistance and program growth.



State funding for Asylum Seekers Assistance includes total proposed commitment through FY 2026, including operational expenses.

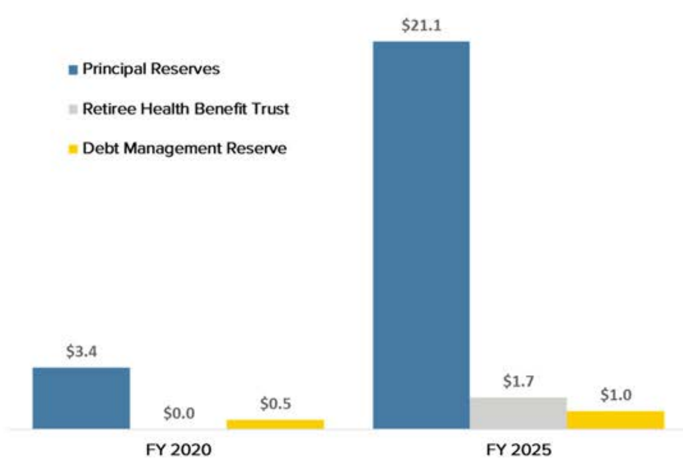
Reserves and Risks

The Financial Plan faces looming economic risks, including: slowing economic growth; continued price inflation; rising consumer debt default; geopolitical uncertainties; programmatic cost pressures; uncertainty about the fiscal conditions of outside entities relying on State assistance; risks due to the State's dependence on Federal funding and approvals; and uncertainty about the timing and feasibility of implementing cost savings actions.

While the DOB forecast of receipts and spending is based on current law and reasonable assumptions as of the time it was prepared, the timing and impact of an economic slowdown or downturn is highly unpredictable, and thus necessitates a prudent level of reserves to hedge against these risks.

In October 2021, the Governor committed to building the State's reserves to 15 percent of State Operating Funds spending to ensure that it could honor its commitments through good and bad times and delivered on this commitment in FY 2023. The FY 2025 Enacted Budget preserves this commitment by utilizing available resources in the current year to add $1.5 billion to Rainy Day Reserves, $250 million to the RHBTF, and $500 million to the economic uncertainties reserve for future costs.

Reserves Increased $20 Billion – More than 6 Times the Level 5 Years Ago

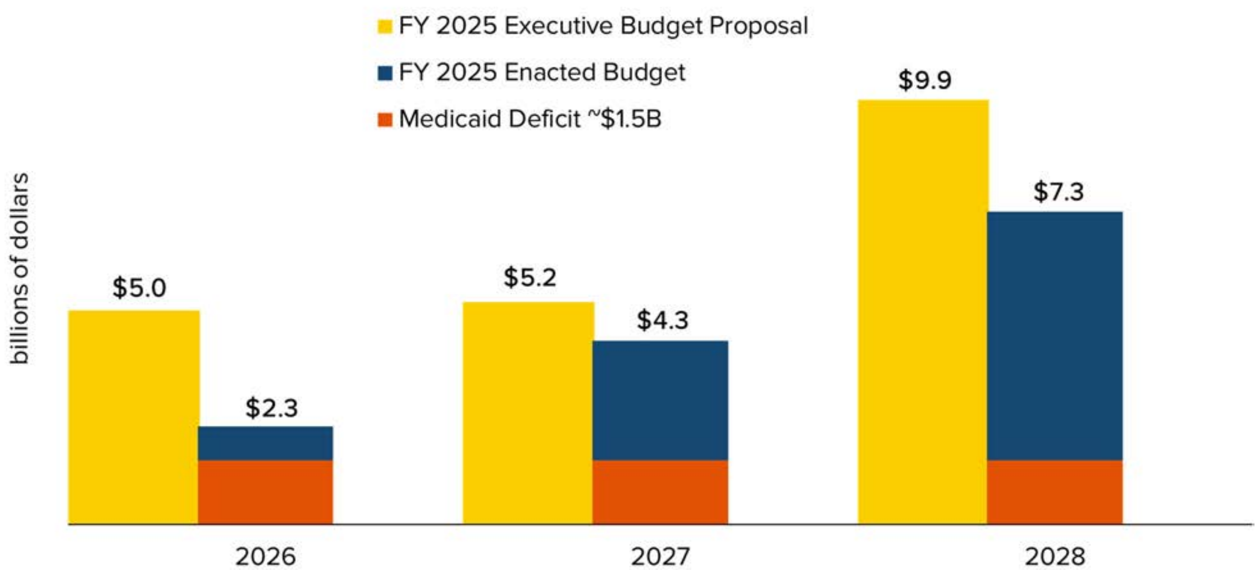


- **Principal Reserves** include the statutory Rainy Day Reserve Funds and the informal Reserve for Economic Uncertainties, excluding $500 million dedicated to fund a portion of State funding for asylum seeker assistance in FY 2026.

- **Retiree Health Benefit Trust Fund** is for health benefits of retired employees and their dependents and is excluded from the General Fund balance.

- **Debt Management Reserve** is an informal reserve that can be used for any debt related purpose, excluding funds dedicated to fund capital investments in FY 2026.

Outyear Budget Gaps



The outyear budget gaps are the result of a structural imbalance between the forecasted levels of spending growth and available resources. The long-term, historical average annual growth rate for tax receipts, which support roughly 80 percent of State Operating Funds spending, is approximately 4 percent. Roughly half of the State Operating Funds budget supports the State's two largest program areas – health care and education – and those programs account for approximately two-thirds of the growth since FY 2022, reflecting historic, recurring funding increases for schools and the health care system. The gaps include Medicaid spending projections that exceed the Global Cap spending allowance beginning in FY 2026, which is partly due to $1.7 billion in additional State spending over the multi-year Financial Plan to leverage roughly $6 billion in additional Federal Medicaid funding, as well as upward revisions reflecting sustained enrollment levels and spending for MLTC.

While these investments continue and spending is expected to grow by just over 5 percent on average through FY 2028, tax receipts[8] are projected to grow on average by 3.5 percent annually over the Financial Plan period from FY 2024 levels, resulting in a structural imbalance in the later years of the Financial Plan.

[8] Tax receipts and General Fund balance are affected by the Pass-Through Entity Tax (PTET); however, DOB expects that the PTET will, on a multi year basis, be revenue neutral for the State. The discussion of tax receipts throughout the Financial Plan Overview exclude the impact of PTET, unless otherwise noted.

The projected budget gaps do not reflect the use of any Principal Reserves to balance operations in any year but do include the use of a $2 billion annual Transaction Risk Reserve, which is included to guard against unexpected declines in receipts or costs related to transaction risk execution. The projected budget gaps also include a substantial amount of savings from the management of prior year resources used to prepay and advance debt service costs and other liabilities, as well as the carry forward of prior year fund balances. Absent these resources, debt service and other spending would be higher and drive gaps above current projections.

In addition, the projected budget gaps for FY 2027 and FY 2028 are impacted by anticipated State and Federal tax law changes, and related taxpayer behavior. FY 2027 projections include a one-time acceleration of between $3 and $4 billion in estimated PIT tax receipts due to the scheduled expiration of the Federal State and Local Tax (SALT) deduction cap at the end of 2025 and the expectation that taxpayers will seek to benefit from unlimited SALT deductibility beginning in tax year 2026. If the Federal government extends or revises the SALT deduction cap, the acceleration would likely not occur, which would reduce tax receipts and increase the budget gap for FY 2027 by a concomitant amount. For more information, see “Other Matters Affecting the Financial Plan” herein.

Lastly, the FY 2028 projected budget gap reflects the initial impact of the current law sunset at the end of tax year 2027 of higher tax rates for high income filers, reverting the schedule to a single top rate of 8.82 percent. DOB estimates that if the current rate schedule were extended, then PIT withholding receipts would increase by an amount in the range of $750 million to $1 billion in the last quarter of FY 2028.

The State will continue to evaluate multi-year growth assumptions across all programs to ensure long-term sustainability within projected resources. If the FY 2026 Budget is balanced with recurring savings, inclusive of Medicaid savings to adhere to the Global Cap limit, then the budget gaps in the outyears would be reduced to less than $2 billion for FY 2027 and $5 billion for FY 2028.

Summary of Revisions Compared to FY 2024 Mid-Year Projections

The following table and narrative provide a summary of the impact of the FY 2025 Enacted Budget actions and forecast revisions on General Fund operations, starting with the FY 2024 Mid-Year Update Estimate.

FY 2025 ENACTED BUDGET FINANCIAL PLAN -- GENERAL FUND REVISIONS
(millions of dollars)

	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
MID-YEAR UPDATE SURPLUS/(GAP) ESTIMATE	**(4,326)**	**(9,526)**	**(7,722)**	**(16,475)**
Receipts	**6,704**	**6,622**	**1,001**	**3,262**
Tax Receipts	5,380	3,359	889	3,139
Tax Receipts, excluding PTET	3,383	4,065	3,837	3,437
PTET/PIT Receipts (Financial Plan Neutral)	1,997	(706)	(2,948)	(298)
Debt Service	376	2,007	124	370
Other Receipts/Transfers	948	1,256	(12)	(247)
Disbursements	**2,500**	**(538)**	**(466)**	**727**
Assistance and Grants	768	37	(129)	846
School Aid	254	499	798	1,452
SY 2025 Foundation Aid Adjustment	165	247	264	281
School Aid Growth Based on CPI	0	242	730	1,331
Lottery/Gaming	398	442	266	298
All Other	(309)	(432)	(462)	(458)
Medicaid	327	(1,008)	(994)	(814)
Revised Forecast/Enrollment	(993)	(2,396)	(2,341)	(2,252)
1115 Waiver	(451)	(474)	(501)	(385)
Savings Actions	768	1,155	1,155	1,155
HCBS eFMAP	366	0	0	0
HCRA Resources/All Other	637	707	693	668
All Other Assistance and Grants	187	546	67	208
State Operations	1,966	105	(534)	(297)
Executive Operations	579	380	(363)	(300)
Legislature/Judiciary (incl. fringe benefits)	(297)	(297)	(297)	(297)
Other Elected Officials	(22)	(22)	(22)	(22)
Fringe Benefits/Fixed Costs	1,706	44	148	322
Transfers to Other Funds	(234)	(680)	197	178
Capital Projects	215	(731)	93	57
SUNY Operating	(66)	(30)	(12)	(12)
All Other	(383)	81	116	133
Use of/(Deposit to) Reserves	**(4,878)**	**1,102**	**2,928**	**5,236**
Rainy Day Reserves/Economic Uncertainties	(1,500)	500	0	0
Timing of PTET/PIT Credits (Financial Plan Neutral)	(1,997)	706	2,948	298
All Other Reserves	(1,381)	(104)	(20)	4,938
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(2,340)**	**(4,259)**	**(7,250)**

Receipts

Tax Receipts. Based on FY 2024 results and the updated economic forecast, DOB has made upward revisions to the tax receipts forecast across all years of the Financial Plan, primarily in PIT and business tax receipts. Tax receipts estimates for PTET and related PIT credits are offset by adjustments to the use of or deposit to PTET reserves to cover credits claimed in subsequent years. In addition, the Enacted Budget includes the following tax law changes:

- **Extend the Itemized Deduction Limit on High Income Filers.** The Enacted Budget extends the itemized deduction limitation on filers with New York Adjusted Gross Income greater than $10 million, which is estimated to provide additional resources beginning in FY 2026.

- **Supplemental Child Tax Credit.** The Enacted Budget provides a one-year supplement to the existing Empire State Child Credit.

- **Other Tax Actions.** The Enacted Budget also includes a new newspaper and broadcast media jobs tax credit, closes a loophole related to PIT and business taxes, provides for the filing of amended sales tax returns, and extends other taxes, exemptions, and credits, including the sales tax exemption on vending machines for an additional year, through May 31, 2025.

Debt Service. Costs are lowered in all years of the Financial Plan due to the prepayment of debt service costs due in these years in FY 2024 and planned in FY 2025, and refundings and ongoing debt management, which lower the dedicated tax receipts needed to support debt service and increase dedicated tax receipts to the General Fund. These savings are partially offset in FY 2026 and beyond by the financing of the capital adds and initiatives included in the Enacted Budget.

Other Receipts/Transfers. Available resources in other funds, including upward revisions to estimated Mental Hygiene Federal revenue, will be transferred to the General Fund to support continued and new spending. In addition, projected investment income has been revised upward in FY 2025 and FY 2026 to reflect the near-term forecast for interest rate levels and overall investment pool.

Disbursements

Assistance and Grants. General Fund spending for assistance and grants is projected to total $77.4 billion in FY 2025, an increase of $8.3 billion (12 percent). This spending is impacted by the level of resources outside of the General Fund available to support spending, particularly in education and health programs. Compared to the Mid-Year Update to the Financial Plan, assistance and grants spending is lowered in aggregate over the multi-year Financial Plan reflecting reduced growth rates and savings achieved through various cost controls and resources. In addition, DOB has revised estimates of spending across nearly all functional areas based on programmatic experience and other indicators, including the expectation that spending below projections in recent years will continue.

The Financial Plan provides $35.9 billion for School Aid in SY 2025, an increase of approximately $1.4 billion (4.1 percent), inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal ARP funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent). This growth reflects a $934 million (3.9 percent) Foundation Aid increase driven largely by the formula's inflation factor, which the Enacted Budget sets at 2.8 percent for SY 2025. School Aid growth also fully funds the projected $366 million increase under current law for expense-based reimbursement programs. Additionally, this increase reflects the annualization of the historic $3.0 billion SY 2024 School Aid increase, which was driven primarily by the final year of the three-year phase in of the Foundation Aid formula.

Financial Plan projections for SY 2026 and beyond have been updated and are based on estimated growth in Foundation Aid and expense-based aids, reflecting DOB's inflation forecast and recent annual expense-based aid growth, respectively. These revisions result in lower projected outyear spending compared to the Mid-Year Update to the Financial Plan. Previously, outyear Financial Plan estimates assumed growth in School Aid consistent with the estimated ten-year average growth in State personal income. In addition, upward revisions to estimated resources available to finance School Aid spending in the State's Mobile Sports Wagering, Video Lottery Terminals (VLTs) and Lottery Funds offset General Fund spending for School Aid.

Medicaid spending in the General Fund is projected to increase due to medical cost increases; enrollment remaining elevated above pre-COVID-19 pandemic levels; expansion of benefits; increases to reimbursement rates; and growing aging and high utilization populations. Other factors that continue to place upward pressure on State-share Medicaid costs include, but are not limited to, provider reimbursements to cover home health wage increases; the phase-out of enhanced Federal funding; increased costs and enrollment growth in managed long-term care; and payments to financially distressed hospitals.

The Financial Plan includes significant upward revisions to reflect updated enrollment and cost forecasts consistent with recent experience and updated data, which increase spending by $8.2 billion from FY 2025 through FY 2028. In addition, the State recently received approval from the CMS for $6 billion in new Federal funding over three years to help support social, physical, and behavioral health care services contingent on a New York matching commitment of $1.7 billion over the same period. The Financial Plan includes the additional State resources expected per this agreement.

To control rising Medicaid costs, the Enacted Budget includes routine revisions, savings, and program management actions, as well as audit recoveries and efforts to eliminate inappropriate payments. Savings actions total $768 million in FY 2025 and include the transition to a single Statewide Fiscal Intermediary for the CDPAP; reducing facility capital payments; and removing the 1 percent surplus payments provided to MCOs attributable to the pharmacy benefit transition from the MCO premiums back to Fee for Service effective April 2023.

Additionally, the Financial Plan includes $64 million in reductions to Managed Care quality pool programs and $75 million in savings from unallocated underspending in the Nursing Home Vital Access Provider Assurance Program (VAPAP), bringing the total annual pool to $25 million in emergency one-time, State-only funding for financially distressed nursing homes. Beginning in

FY 2026, Medicaid spending is projected to exceed the allowable amount under the Global Cap Index. Accordingly, the State expects to develop actions that will provide recurring savings and reduce the cost of healthcare delivery while preserving access and level of care.

The Enacted Budget includes increased spending for all other assistance and grants for planned investments and expansions; including a 2.84 percent COLA; various public health and youth employment programs; expanded TAP eligibility and awards, increased general operating support for CUNY; State funding for asylum seeker assistance; public safety and combatting crime; and one-time aid to municipalities. Other spending increases include additional assistance to distressed hospitals and safety net providers that are funded outside of the Medicaid Global Cap through the Mental Hygiene Stabilization Fund (MHSF). These increases are partly offset by lower spending attributable to the expected repayment of $1.5 billion of State-only payments from distressed providers; certain accounting reclassifications between financial plan categories; and revised spending forecasts across many functional areas, reflecting continued spending below initial projections experienced in prior years inherent to the practice of conservative budgeting.

In addition, lower spending reflects the use of available Temporary Assistance for Needy Families (TANF) funding to support increasing child care costs to maintain continuity in the level and eligibility of child care subsidies; available Mortgage Insurance Fund resources to fund housing and homelessness programs; and a new limit on eligibility for Unrestricted Aid to Independent Colleges and Universities, also known as Bundy Aid, to institutions with endowment assets of less than $750 million.

State Operations. Spending for operations, including wages and fringe benefits, is projected to increase in FY 2025, excluding the impact of the prepayment of FY 2025 pension expenses in FY 2024, and lower FEMA reimbursements expected to offset prior year COVID-19 pandemic related costs compared to FY 2024. The increased costs reflect general salary increases and expansion of services and new initiatives, including mental health access and capacity, and cybersecurity and technology investments. The increased spending is partly offset with savings expected from eliminating excess capacity within the correctional system, ongoing agency efficiencies in delivering services, and reduced consultant spending.

Executive agency operational spending is reduced compared to the Mid-Year Update to the Financial Plan to reflect the planned reduction of excess prison capacity resulting from continued prison population declines; reductions in consulting services; improvements in procurement efficiencies; certain accounting reclassifications between financial plan categories; and the expected continuation of lower than projected spending experienced in prior years inherent to the practice of conservative budgeting. In addition, DOB has increased expected FEMA reimbursements, which lower reported spending, based on continued review and submission of prior-year eligible costs incurred by multiple agencies.

These savings are partly offset by added costs related to contractual general salary increases, particularly in the later years; asylum seeker assistance; investments in cybersecurity and information technology (IT); expanded access to inpatient psychiatric and mental health services; and continued staffing increases across various agencies to address post-COVID-19 pandemic staffing shortages.

The Enacted Budget must include without modification the appropriations submitted annually by the Legislature and Judiciary.

- The judiciary budget increases annual operating spending, including fringe benefits, by $288 million annually to fund judicial pay raises for State judges, general salary increases for non-judicial staff, a paid parental leave program, staffing increases to return to pre-COVID-19 pandemic workforce levels, new court clerks and attorneys, mental health court expansion, and costs associated with four court officer academy classes. In addition, the judicial budget request includes funding to support twenty new judgeships, and twenty-eight family court and five City of New York housing court judges.

- Operating spending for the Legislature increases by $9 million annually to fund general salary increases for legislative staff and operational expenses.

Attorney General (AG) operational spending, excluding fringe benefits, is increased by $13 million annually to support increased caseloads driven by recently enacted legislation and general salary increases. Operating spending for OSC, excluding fringe benefits, is increased by $9 million annually to reflect general salary and operational increases.

Fringe benefit and fixed costs savings in FY 2025 reflect the payment in FY 2024 of the $1.6 billion FY 2025 Employees' Retirement System (ERS) / Police and Fire Retirement System (PFRS) pension bill, which included estimated interest savings totaling $99 million that accrued to the State. Savings in all other years reflect updated projections for various fringe benefit categories.

Transfers to Other Funds. The Enacted Budget reduces transfers from the General Fund to capital projects funds, which is primarily related to the early retirement of bonds that lower the necessary transfer to the DHBTF for debt service. This reduction is partially offset by the addition of new capital initiatives that will be supported by the General Fund, including a new electronic medical health records system for the Office of Mental Health (OMH) and additional funding for judicial facilities renovation, safety, and technology upgrades for court rooms. In FY 2026, $1 billion for capital expenses is expected to be flipped from bond financed to Pay-As-You-Go (PAYGO) capital, which reduces the State's debt burden and costly interest expense as rates are expected to remain elevated through FY 2026.

The State will provide $67 million to support SUNY operating costs, including those related to various State of the State initiatives, including, but not limited to, funding for the Empire State Service Corps and Empire AI, in addition to support for the State Weather Risk Communication Center at the University at Albany and TAP tuition credits.

The Enacted Budget includes $350 million in one-time General Fund resources transferred to the HSF in FY 2025. Other revisions include $35 million in additional support for Department of Health (DOH) health facilities, and an increased transfer to the Judiciary's Court Facilities Incentive Aid Fund for civil legal aid, court facilities maintenance/cleaning costs, and enterprise-wide technology enhancements. Additionally, up to $100 million of State support is added for operating expenses at the State University Health Sciences Center at Brooklyn and/or the SUNY Hospital at Brooklyn, pursuant to a plan approved by the Director of the Budget. Other downward revisions to transfers reflect updated forecasts based on prior year transfer activity and projected support levels needed outside of the General Fund.

Use of/(Deposit to) Reserves

Changes to reserves reflect the impact of a $1.5 billion deposit to Rainy Day Reserves, revised estimates of PTET related tax receipts, updated projections of spending supported by the extraordinary monetary settlements reserve, use of the labor reserve to fund the retroactive cost of the recently settled NYSCOPBA contract, and management of prior year resources planned to reduce gaps in future years. In addition, the Financial Plan previously planned to continue annual deposits to the reserve for future labor and operational costs; however, the Financial Plan reflects the discontinuation of the deposits in the outyears consistent with the recognition of additional operational costs and labor agreements reached to date. The existing $3.1 billion reserve is maintained for similar labor agreements with unsettled labor unions in future years.

Extraordinary State Funding for Asylum Seeker Assistance

Beginning in FY 2024, the State provided extraordinary funding and support to assist the City of New York with the humanitarian crisis that has brought thousands of asylum seekers to the City of New York. To date, New York State has received little to no Federal funding assistance to manage thousands of asylum seekers despite repeated requests.

State management and coordination of the funding and assistance spans multiple agencies, including staffed personnel at City emergency response centers and the deployment of hundreds of Division of Military and Naval Affairs (DMNA) National Guard members to aid in the crisis response and provide support. Reimbursement for short term shelter services for migrant individuals and families and Safety Net Assistance for asylum seekers who are eligible is administered by the Office of Temporary and Disability Assistance (OTDA). Infectious disease testing and vaccination activities, and the provision of coverage to eligible individuals through the State's public health insurance programs is supported by DOH. Other State agencies, including the Division of Homeland Security and Emergency Services (DHSES), the Department of State (DOS) and the Office of General Services (OGS) are assisting nonprofit organizations, providing reimbursement for shelter sites, and supporting case management and legal services.

The State is covering the cost of the Humanitarian Emergency Response and Relief Center (HERRC) at three sites and has made multiple State-owned sites available for use as shelters.

The State commits a total of $4.3 billion in extraordinary State Funding for asylum seeker assistance through FY 2026 reflecting an additional $2.4 billion added in the FY 2025 Enacted Budget above the $1.9 billion previously committed. The table below summarizes the extraordinary State Funding for asylum seeker assistance estimated to be spent through FY 2024 and planned over the multi-year Financial Plan, including revisions to reflect the timing of previously unspent funds. The Governor has pledged to use $500 million from reserves to fund a portion of the support in FY 2026. The Financial Plan does not include any extraordinary funding beyond FY 2026 but does include recurring spending of roughly $70 million annually related to social safety net programs associated with elevated caseload driven by this population, and routine funding.

ASYLUM SEEKER ASSISTANCE
STATE OPERATING FUNDS
(in millions)

	Actuals		Projected		
	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
Total State Funding	**27**	**895**	**2,623**	**773**	**4,318**
Original NYC Support	0	500	596	0	1,096
Additional NYC Support	0	0	530	530	1,060
Additional Aid to NYC and Costs for Randall's Island, Creedmoor, and Floyd Bennett	0	19	794	146	959
National Guard Deployment	27	163	262	0	452
Medicaid/Vaccines/Disease Testing	0	137	173	15	325
Safety Net Assistance	0	26	67	67	160
Asylum Seeker Resettlement	0	8	27	5	40
Case Management/Legal Services/All Other	0	42	174	10	226
Use of Economic Uncertainties Reserves	**0**	**0**	**0**	**(500)**	**(500)**

General Fund Financial Plan Overview

The State's General Fund receives most State taxes and other income not earmarked for a specified program or activity and is required by law to be balanced.

General Fund receipts are affected by the deposit of dedicated taxes in other funds for debt service and other purposes, the transfer of balances between funds of the State, and other factors. Three significant factors affect reported General Fund tax receipts, as described below.

- Changes in debt service on State-supported revenue bonds affect General Fund tax receipts. The State utilizes bonding programs where tax receipts are deposited into dedicated debt service funds (outside the General Fund) and used to make debt service payments. After satisfying debt service requirements for these bonding programs, the balance is transferred to the General Fund.

- The STAR program is funded from PIT receipts, with changes in the State-supported cost of the program affecting reported PIT receipts.

- Beginning in FY 2022, the PTET program began affecting reported General Fund tax collections. The discussion and tables summarizing annual changes below generally exclude the impact of the PTET or show it distinctly. The operation of the PTET program is described under the heading, "PTET Financial Plan Impact" at the end of this section.

General Fund disbursements represent roughly 70 percent of total State Operating Funds spending and are affected by the level of financing sources available in other funds, transfers of balances between funds of the State, and other factors that may change annually. For example, education and health care programs are affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds. Projected spending also reflects DOB's cautious estimates of disbursements, a practice that provides a cushion for potential receipts shortfalls and unanticipated costs.

For a more comprehensive discussion of the State's projections for tax receipts, miscellaneous receipts, disbursements, and transfers, presented on a State Operating Funds and/or All Funds basis, see "State Financial Plan Multi-Year Projections" section herein.

FY 2025 Enacted Budget General Fund Financial Plan

The following table summarizes the projected annual change in General Fund receipts, disbursements, and fund balances from FY 2024 results to FY 2025 projected.

GENERAL FUND FINANCIAL PLAN (millions of dollars)				
			Annual Change	
	FY 2024 Actuals	FY 2025 Projected	Dollar	Percent
Opening Fund Balance	**43,451**	**46,331**	**2,880**	**6.6%**
Total Receipts	**102,997**	**109,956**	**6,959**	**6.8%**
Receipts, excluding PTET	103,218	109,092	5,874	5.7%
Taxes	92,148	99,242	7,094	7.7%
Miscellaneous Receipts	4,878	4,460	(418)	-8.6%
Federal Receipts	2,250	3,645	1,395	62.0%
Non-Tax Transfers from Other Funds	3,942	1,745	(2,197)	-55.7%
PTET Receipts	(221)	864	1,085	491.0%
PIT Credits	(14,176)	(13,884)	292	2.1%
Business Taxes	13,955	14,748	793	5.7%
Total Disbursements	**100,117**	**107,772**	**7,655**	**7.6%**
Assistance and Grants	69,119	77,404	8,285	12.0%
State Operations	21,951	21,110	(841)	-3.8%
Transfers to Other Funds	9,047	9,258	211	2.3%
Net Change in Operations	**2,880**	**2,184**	**(696)**	**-24.2%**
Closing Fund Balance	**46,331**	**48,515**	**2,184**	**4.7%**
Statutory Reserves:				
Community Projects	25	25	0	
Contingency	21	21	0	
Rainy Day Funds	6,256	7,756	1,500	
Fund Balance Reserved for:				
Debt Management	2,436	1,860	(576)	
Economic Uncertainties	13,812	13,812	0	
Labor Settlements/Agency Operations	1,765	3,099	1,334	
All Other Reserves/Balances	6,769	6,250	(519)	
Subtotal Excluding Settlements/PTET	**31,084**	**32,823**	**1,739**	
Fund Balance Reserved for:				
Extraordinary Monetary Settlements	1,110	691	(419)	
Timing of PTET/PIT Credits	14,137	15,001	864	

Receipts

General Fund receipts, including transfers from other funds, are estimated to total nearly $110 billion in FY 2025, an increase of $7 billion (6.8 percent) from FY 2024. As noted earlier, receipt levels in the General Fund may be significantly impacted by the deposit of dedicated taxes in other funds for debt service and PTET. Excluding the impact of debt prepayments and PTET, total General Fund tax receipts, including transfers after the payment of debt service, are estimated to total $96 billion in FY 2025, an increase of $2.5 billion (2.7 percent) from FY 2024. The increase reflects forecasts of moderate economic and wage growth, which are expected to drive modest growth in tax receipts. The following discussion of annual changes in tax receipts exclude the impact of PTET and debt prepayments.

PIT receipts are estimated to total $64.3 billion in FY 2025, an increase of $2.3 billion (3.8 percent) from the prior year. The increase reflects growth in withholding, current estimated payments for tax year 2024, extension payments for tax year 2023, final returns, and delinquencies. These increases are partly offset by higher expected total refunds due, primarily driven by prior year refunds for tax year 2023.

Consumption/use tax receipts are estimated to total $18.4 billion in FY 2025, an increase of $296 million (1.6 percent) from FY 2024. This increase reflects a slow-down in the sales tax base, as well as a projected increase in adult-use cannabis receipts as this burgeoning market continues to expand throughout the State.

Business tax receipts increase primarily reflects an increase in gross Corporate Franchise Tax (CFT) receipts and audit receipts from both the bank tax and CFT.

Other tax receipts, including transfers after payment of debt service on Clean Water/Clean Air (CW/CA) Bonds, are expected to total $2.3 billion in FY 2025, a decrease of $499 million from FY 2024. This is primarily due to the expectation that super-large estate tax payments return to more typical trends in FY 2025.

Non-tax receipts reflect a reduction in abandoned property receipts and the continued practice of budgeting for a $2 billion transaction risk reserve that partially offsets total projected transfers from other funds and provides a hedge against risks to receipts that may materialize later in the fiscal year. These declines are partly offset by an increase in the final use of Federal ARP funds in FY 2025 consistent with Federal treasury rules.

Disbursements

General Fund disbursements, including transfers to other funds, are expected to total $107.8 billion in FY 2025, an increase of $7.7 billion (7.6 percent) from FY 2024. The annual change in spending is in large part due to increased funding for Foundation Aid, Medicaid, and continued time-limited support to the City of New York for asylum seeker assistance.

Approximately 80 percent of assistance and grants spending are supported by the General Fund and is estimated to total $77.4 billion in FY 2025, an increase of $8.3 billion (12 percent) from FY 2024. General Fund spending for education and health care represents over half of the assistance and grants spending growth. General Fund support for these programs is also affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds. In addition, other assistance and grants growth is primarily the result of continued State support of an expanded level and eligibility of child care subsidies and victim of crime assistance previously funded with Federal resources; added child welfare services funding for local social services districts; increased operating support to SUNY and CUNY senior colleges; and asylum seeker assistance.

The General Fund supports roughly two-thirds of the cost of agency operations and fringe benefits. State Operations is impacted by the prepayment of the FY 2025 pension obligation in FY 2024, certain accounting reclassifications between financial plan categories, FEMA reimbursements for prior year COVID-19 pandemic related eligible spending, and the payment of retroactive salary increases. Excluding these transactions, General Fund State Operations spending growth is expected to increase by roughly 10 percent. The largest drivers of growth include rising health insurance costs for State employees, the cost of enhanced pension benefits for Tier 6 State employees, Judicial staffing and operational increases, general salary increases consistent with existing collective bargaining agreements, investments in cybersecurity and information technology, and continued staffing increases across various agencies.

General Fund transfers to support capital projects is expected to increase consistent with projected capital commitments and funding growth and the timing of bond proceed reimbursements. Other transfer increases are attributable to additional State operating aid for SUNY and one-time funding for the new Healthcare Stability Fund. General Fund transfers in FY 2025 are also impacted by accounting reclassifications between financial plan categories related to DBHTF debt service, and revised support projections across programs and funds.

FY 2025 Closing Balance

Excluding designated funds in the PTET[9] reserve for the timing of PTET/PIT credits and extraordinary monetary settlements to fund existing commitments and projects, DOB projects the State will end FY 2025 with a General Fund cash balance of $32.8 billion, an increase of $1.7 billion from the prior year closing balance. The increase is mainly due to a deposit to the Rainy Day Reserves and planned increases to the reserve for labor settlements/agency operations, partially offset by the scheduled use of debt management reserves to fund capital expenses.

[9] Starting in FY 2022, the General Fund balance is affected by the PTET program. Please see the description under the heading "PTET Financial Plan Impact" for more information.

Negotiated Changes to the Executive Budget

The following table summarizes the negotiated additions, restorations, modifications, and revisions to the FY 2025 Executive Budget General Fund proposal.

CHANGES TO THE EXECUTIVE BUDGET FINANCIAL PLAN GENERAL FUND (millions of dollars)	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(4,974)**	**(5,229)**	**(9,943)**
NEGOTIATED RESTORATIONS/ADDS	**(3,131)**	**(1,363)**	**(1,341)**	**(1,198)**
Spending Restorations/Adds	**(2,773)**	**(1,347)**	**(1,295)**	**(1,152)**
New Spending Adds:	(2,291)	(298)	(216)	(196)
Distressed Hospital Assistance	(500)	0	0	0
Supplemental Hospital/Nursing Home Payments	(350)	0	0	0
Healthcare Safety Net Transformation Program	(300)	0	0	0
Additional 1.34% Human Services COLA (2.84% Total)	(116)	(116)	(116)	(116)
SUNY/CUNY Operating Assistance	(75)	(25)	0	0
SUNY Hospital Debt Service Forgiveness	(79)	0	0	0
Tuition Assistance Program Expansion	(48)	(61)	(61)	(61)
Tier 6 Pension Benefits	(58)	(58)	(58)	(58)
Temporary Municipal Assistance	(50)	(50)	0	0
Additional Competitive Arts Grants	(40)	0	0	0
Asian American Pacific Islander Support & Protection	(30)	0	0	0
Additional Hunger Prevention and Nutrition Assistance Program	(23)	0	0	0
Office of New Americans and Immigration Legal Services	(20)	0	0	0
All Other Spending Adds	(181)	46	42	47
Legislative Table Adds	(421)	(34)	(23)	(8)
Restorations/Modifications:	(482)	(1,049)	(1,079)	(956)
Medicaid	(233)	(567)	(735)	(731)
Unallocated Long-Term Care Savings	*(200)*	*(200)*	*(200)*	*(200)*
Unallocated Medicaid Savings	*(200)*	*(200)*	*(200)*	*(200)*
Discontinue Wage Parity for CDPAS	*(200)*	*(401)*	*(401)*	*(401)*
CDPAP Fiscal Intermediaries Modification	*200*	*504*	*504*	*504*
Reduce MC/MLTC Quality Pool Funding	*(48)*	*(48)*	*(48)*	*(48)*
Competitively Procure Managed Care Organizations	*0*	*(150)*	*(300)*	*(300)*
Restructure Adult Health Homes	*0*	*(125)*	*(125)*	*(125)*
All Other Medicaid Restorations	*(53)*	*(53)*	*(72)*	*(72)*
Resources/Revisions	*268*	*106*	*107*	*111*
Foundation Aid	(178)	(299)	(252)	(126)
NYSHIP Interest and Arrears Collections	(20)	(80)	0	0
Committee on Special Education	0	(29)	(29)	(29)
All Other	(51)	(74)	(63)	(70)
Tax Law/Receipts	**(358)**	**(16)**	**(46)**	**(46)**
Not Accepted:	(8)	(15)	(15)	(15)
Implement Sales Tax on Vacation Rentals	(8)	(15)	(15)	(15)
Modified/New:	(350)	(1)	(31)	(31)
Supplemental Empire State Child Credit	(350)	0	0	0
Journalism Tax Credit	0	0	(30)	(30)
All Other	0	(1)	(1)	(1)
RESOURCES AND FORECAST REVISIONS	**3,131**	**3,997**	**2,311**	**3,891**
Tax Receipts, excluding PTET	2,595	1,863	2,159	2,536
FY 2024 and FY 2025 Debt Prepayments	0	2,000	200	500
Forecast Revisions/Resource Timing	1,773	384	202	1,105
Hospital Advance/Recoupment	397	0	0	0
Principal Reserve Deposit	(1,500)	0	0	0
Retiree Health Benefit Trust Fund Deposit	(250)	(250)	(250)	(250)
Use Operational Reserve for Retroactive Payments	116	0	0	0
ENACTED BUDGET SURPLUS/(GAP) ESTIMATE	**0**	**(2,340)**	**(4,259)**	**(7,250)**

Cash Flow

State Finance Law authorizes the General Fund to borrow money temporarily from available funds held in the Short-Term Investment Pool (STIP). Loans to the General Fund are limited to a term not to exceed four months or the end of the fiscal year, whichever is shorter. The resources that can be borrowed by the General Fund are limited to available balances in STIP, as determined by OSC. Available balances include money in the State's governmental funds and a relatively small amount of other money belonging to the State that is held in internal service and enterprise funds, as well as certain agency funds. Several accounts in Debt Service Funds and Capital Projects Funds that are part of All Governmental Funds are excluded from the balances deemed available in STIP. These excluded funds consist of bond proceeds and money obligated for debt service payments.

The Enacted Budget continues to authorize short-term financing for liquidity purposes during the fiscal year. In doing so, it maintains a tool to help the State manage cashflow, if needed, and more effectively deploy resources. Specifically, the authorization allows for the issuance of up to $3 billion of PIT revenue anticipation notes which mature no later than March 31, 2025. Borrowed amounts cannot be extended or refinanced beyond the initial maturity. The Financial Plan does not assume the use of short-term financing for liquidity purposes. DOB evaluates cash results regularly and may adjust the use of notes based on liquidity needs, market considerations, and other factors.

DOB expects that the General Fund will have sufficient liquidity in FY 2025 to make all planned payments as they become due. The State continues to reserve money on a quarterly basis for debt service payments financed with General Fund resources. Money to pay debt service on bonds secured by dedicated receipts, including PIT bonds and Sales Tax Revenue bonds, continues to be set aside as required by law and bond covenants.

FY 2025 PROJECTED MONTH-END CASH BALANCES
APRIL (ACTUALS)/MAY THROUGH MARCH (PROJECTED)
(millions of dollars)

	General Fund	Other Funds	All Funds
April 2024	49,055	23,191	72,246
May 2024	45,080	22,401	67,481
June 2024	47,526	23,708	71,234
July 2024	46,078	23,132	69,210
August 2024	44,900	23,793	68,693
September 2024	49,200	20,689	69,889
October 2024	44,450	21,183	65,633
November 2024	41,473	20,697	62,170
December 2024	45,518	19,643	65,161
January 2025	47,366	20,855	68,221
February 2025	45,238	22,648	67,886
March 2025	48,515	15,007	63,522

PTET Financial Plan Impact

The U.S. Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) have determined that State and local income taxes imposed on and paid by a partnership or an S corporation on its income, such as the PTET, are allowable as a Federal deduction to taxable income. In November 2020, the IRS released Notice 2020-75, which announced that the Treasury and IRS intend to issue clarifying regulations with respect to such pass-through taxes.

As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional PTET on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders receive a refundable PIT credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows for reciprocity with other states that have implemented substantially similar taxes, which currently include Connecticut and New Jersey.

DOB expects that the PTET will, on a multi-year basis, be revenue neutral for the State. However, because the PTET credits are not necessarily realized by taxpayers within the same fiscal year that PTET revenue is received by the State, the PTET will not be revenue-neutral to the State within each fiscal year. The Financial Plan includes an estimate for PTET within business taxes and the corresponding decrease in PIT receipts. It is expected that the PTET program will cease to be utilized after tax year 2025 due to the scheduled expiration of the SALT deduction cap under current Federal law. Therefore, the estimates in the Financial Plan reflect the assumption that entities cease to participate in the later years of the Financial Plan period.

The table below displays the impact of the PTET program on the General Fund, as well as PIT and business taxes. The PTET estimates are excluded from certain tabular presentations in the Financial Plan due to the size of the impact on specific tax categories and because the financial plan impact is expected to be neutral on a multi-year basis.

FY 2025 ENACTED BUDGET
GENERAL FUND IMPACT OF THE PASS THROUGH ENTITY TAX
SAVINGS/(COSTS)
(millions of dollars)

	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	Total
General Fund Impact	0	0	0	0	0	0	0	0
Tax Receipts[1]	16,430	(2,072)	(221)	864	(2,504)	(12,197)	(300)	0
PIT Credits	0	(17,016)	(14,176)	(13,884)	(14,956)	(10,858)	(300)	(71,190)
PTET Collections (Business Taxes)	16,430	14,944	13,955	14,748	12,452	(1,339)	0	71,190
Use of/(Deposit to) Reserve for PTET Refunds	(16,430)	2,072	221	(864)	2,504	12,197	300	0

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

In December 2021, electing entities began making estimated PTET payments that were classified as business taxes and totaled $16.4 billion in FY 2022. The entire amount was set aside for purposes of offsetting the decrease in PIT receipts in FY 2023 and beyond. A portion of the reserve balance will cover the difference between PTET collections and related PIT credits and is expected to be depleted when the program utilization ceases.

In tax year 2021, taxpayers could not reduce their current estimated PIT payments for PTET, because enrollment in the PTET was not completed until late 2021 and affected taxpayers were not statutorily authorized to do so. PIT credits may be claimed on the tax return in the following fiscal year through extensions and refunds, or they can be reflected sooner through reductions in estimated payments. Taxpayers recognized a substantial portion of tax year 2021 PTET PIT credits through current estimated payments beginning tax year 2022. The State estimates that similar behavior occurred in tax year 2023 and this behavior is expected to reoccur in future years.

State Operating Funds Spending Summary

The following table summarizes the projected annual change in State Operating Funds spending from FY 2024 actuals to FY 2025 projected levels, followed by a brief summary of the changes.

STATE OPERATING FUNDS DISBURSEMENTS
FY 2024 TO FY 2025
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Annual Change $	Annual Change %
ASSISTANCE AND GRANTS	**89,202**	**97,202**	**8,000**	**9.0%**
School Aid (School Year Basis)	34,484	35,889	1,405	4.1%
DOH Medicaid	27,804	30,932	3,128	11.3%
Mental Hygiene, excluding MHSF	5,278	6,457	1,179	22.3%
Social Services	4,399	6,617	2,218	50.4%
Transportation	5,237	5,149	(88)	-1.7%
Higher Education	3,122	3,474	352	11.3%
Other Education	2,457	2,796	339	13.8%
All Other	6,421	5,888	(533)	-8.3%
STATE OPERATIONS/GENERAL STATE CHARGES	**32,274**	**31,818**	**(456)**	**-1.4%**
State Operations	21,578	23,248	1,670	7.7%
Executive Agencies	12,309	12,938	629	5.1%
FEMA Reimbursements	(962)	(500)	462	48.0%
University Systems	7,402	7,654	252	3.4%
Judiciary	2,151	2,409	258	12.0%
Other Elected Officials	678	747	69	10.2%
General State Charges	10,696	8,570	(2,126)	-19.9%
Pension Contribution	3,734	734	(3,000)	-80.3%
Health Insurance	5,106	5,743	637	12.5%
Other Fringe Benefits/Fixed Costs	1,856	2,093	237	12.8%
DEBT SERVICE	**6,997**	**3,022**	**(3,975)**	**-56.8%**
TOTAL STATE OPERATING FUNDS	**128,473**	**132,042**	**3,569**	**2.8%**
Capital Projects (State and Federal Funds)	**14,708**	**17,642**	**2,934**	**19.9%**
Federal Operating Aid	**91,686**	**89,484**	**(2,202)**	**-2.4%**
TOTAL ALL GOVERNMENTAL FUNDS	**234,867**	**239,168**	**4,301**	**1.8%**

State Operating Funds encompass the General Fund and a wide range of State activities funded from dedicated revenue sources that are received outside the General Fund, including tax revenues, tuition, income, fees, and assessments. Many programs, services and activities funded with these dedicated revenue sources often have no direct bearing on the State's ability to maintain a balanced budget in the General Fund but are captured in State Operating Funds. However, certain dedicated revenue sources support spending that impacts General Fund spending as revenues fluctuate. For example, education and health care programs are affected by the level of financing sources (i.e., HCRA and lottery/gaming receipts) available in other funds.

Assistance and Grants

Most State spending is for assistance and grants that include payments to local governments, school districts, health care providers, managed care organizations, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations. School Aid and Medicaid account for nearly 70 percent of assistance and grants spending and roughly half of total State Operating Funds spending.

Over the past three years, assistance and grants funding has increased substantially with increased funding for education, health care, and nearly all other major program areas, as well as a significant amount of spending for time-limited asylum seeker assistance.

School Aid spending for SY 2025 is estimated at $35.9 billion, representing an annual increase of $1.4 billion (4.1 percent), inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal ARP funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent). This annual growth reflects a $934 million (3.9 percent) increase for Foundation Aid driven largely by the formula's inflation factor, which the Enacted Budget sets at 2.8 percent for SY 2025. School Aid growth also fully funds the projected $366 million increase under current law for expense-based reimbursement programs.

DOH Medicaid assistance and grants spending, excluding the effect of the temporary eFMAP, is estimated at $30.9 billion in FY 2025, an annual increase of $3.1 billion (11.3 percent). Medicaid costs reported under the Global Cap are projected to increase by $1.6 billion in FY 2025, consistent with the updated growth index. Higher spending is attributable to increased MLTC enrollment and price growth as well as increased home and personal care utilization and costs, expanded access to health coverage, and higher provider reimbursements. Additionally, the FY 2025 Enacted Budget includes $350 million in one-time funding to support a new Healthcare Stability Fund for investments in hospitals, nursing homes, assisted living programs, and hospice programs. The remaining $1.5 billion in growth attributable to costs reported outside of the Global Cap is mainly driven by home care and minimum wage for health care providers ($1.3 billion) and financial relief to counties and the City of New York associated with full coverage of the local share of spending growth ($183 million). Additional funding for distressed hospitals ($500 million) and the Healthcare Safety Net Transformation Program ($300 million) is excluded from Medicaid spending and the Global Cap and rather funded by through the MHSF/Local Share Adjustment (LSA). Likewise, in FY 2024, a portion of Medicaid-related expenses of the Office for People with Developmental

Disabilities (OPWDD) were funded outside of the DOH Global Cap to provide room to fund State-only hospital payments that are expected to be recouped in FY 2025.

State Medicaid spending is also affected by the Federal government's increased share of Medicaid funding through eFMAP. In FY 2024, $1.7 billion in State-share savings from eFMAP was used to offset increased costs associated with persistently elevated COVID-19 pandemic related enrollment, asylum seeker assistance, and lost Medicaid Redesign Team II (MRT II) savings due to Federal restrictions regarding program restructuring while the eFMAP remained in place. These costs and most of the eFMAP savings are outside of the Global Cap and are funded through the Mental Hygiene Stabilization Fund.

Mental Hygiene spending growth supports targeted investments in services to ensure individuals with developmental disabilities, mental illness, substance use disorders and problem gambling have appropriate access to care. FY 2025 spending levels include the continued commitment to expand mental health access and care, a 2.84 percent COLA, increased supported housing investments to account for annual property-related cost increases, new service opportunities for people with intellectual and developmental disabilities, and expanding the Special Olympics in New York State.

More than half of Social Services spending increases are driven by the funding for services and assistance to the City of New York for asylum seekers. Other growth reflects continued investments and expansion of child care, inclusive of reduced amounts of Federal aid to support costs, the Empire State Supportive Housing Initiative (ESSHI), child welfare services reimbursed to counties, Supplemental Security Income, Safety Net Assistance, Rent Supplement, After School Programs and a 2.84 percent COLA for eligible programs. Spending for the Emergency Rental Assistance Program (ERAP) and Landlord Rental Assistance Program (LRAP) are expected to decline in FY 2025 as the pandemic assistance programs wind down.

Transportation spending is projected to decrease due to a one-time $305 million State payment to the Metropolitan Transportation Authority (MTA) in FY 2024 to address extraordinary financial impacts resulting from the COVID-19 pandemic, partially offset by a projected increase in dedicated transit revenue available to fund mass transit.

Higher education spending is projected to grow by 11.3 percent in FY 2025 inclusive of the projected disbursement of the State endowment match to SUNY's four University Centers. Increased spending for TAP and other scholarship programs includes expansion through higher maximum income thresholds for TAP eligibility, minimum TAP awards, and the expansion of TAP for part-time students at proprietary institutions. Funding is also increased for SUNY and CUNY community colleges and an additional $112 million in State Aid for operating support to CUNY senior colleges.

Increased funding for All Other Education Programs in FY 2025 is largely driven by the continued impact of a 6.25 percent SY 2024 COLA for special education program tuition rates and continuation of the State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Community Eligibility Provision (CEP) program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income.

All other assistance and grants spending includes certain pandemic related recovery initiatives; reclassifications between financial plan categories; a reconciliation between school year and State fiscal year spending for School Aid; reconciliation for the net impact of the Mental Hygiene Stabilization Fund and OPWDD Local Share Adjustments related to the Medicaid Global Cap and hospital advance/recoupment, and various other programs and functions. The decline in other spending is due mainly to the delay in provider's remittance of prior-year State-only hospital advances, resulting in $1.5 billion in additional spending in FY 2024 that is expected to be repaid in FY 2025; time limited funding for Health care and Direct care workers bonuses (both funded with Financial Plan resources through MHSF); and a non-recurring investment in energy affordability. This decline is partially offset by additional funding for public health, including CHP; State support for victim of crime assistance previously funded with Federal resources; dedicated resources to combat retail theft; domestic violence initiatives; Indigent Legal Services (ILS); temporary municipal assistance; and State matching funds provided under the Public Campaign Finance program.

State Operations/General State Charges (GSCs)

Operating costs for State agencies include salaries, wages, fringe benefits, and Non-Personal Service (NPS) costs (e.g., supplies, utilities) and comprise about a quarter of State Operating Funds spending.

Growth in operational spending for executive agencies is driven primarily by general salary increases consistent with existing collective bargaining agreements, investments in cybersecurity and IT, the cost of deploying the National Guard to assist the City of New York with providing care for asylum seekers, and modest staffing increases across various agencies as agencies continue to address post-COVID-19 pandemic staffing shortages. Federal reimbursement for prior year State costs incurred for COVID-19 pandemic response and recovery efforts is projected to decline year over year.

SUNY operational spending growth reflects expenses for SUNY State-operated campuses and hospitals, inclusive of additional State aid for operating expenses at the State University Health Sciences Center at Brooklyn and/or the SUNY Hospital at Brooklyn. SUNY operating costs are funded by a combination of tuition and fee revenue and General Fund transfers provided annually for direct State operating support and student financial aid support ($1.8 billion in FY 2025). In addition, the State pays the fringe benefit costs of employees at SUNY State-operated campuses, projected to be roughly $2 billion in FY 2025, which is excluded from operational spending growth. The State also continues to pay a share of the debt service costs on bond financed capital projects at SUNY, totaling approximately $581 million in FY 2025.

The Judiciary spending plan includes a substantial increase in FY 2025 (12 percent) to support judicial pay raises for State judges, general salary increases for non-judicial staff, implementing a paid parental leave program, staffing increases to return to pre-COVID-19 pandemic workforce levels, new court clerks and attorneys, and costs associated with four court officer academy classes. The Judicial budget also includes funding for twenty new judgeships, twenty-eight family court and five City of New York housing court judges, including support staff for each. Funding also supports four court officer academy classes, implementation of the paid parental leave program, increase support for child and civil legal service providers, expand mental health court services, support several anti-bias and justice initiatives, accommodate court facility cleaning costs, and provide for health insurance and pension cost increases.

The operating costs for the offices of independently elected officials (Attorney General, Comptroller, and Legislature) are projected to grow by 10.2 percent. This growth is driven by payments for salary increases pursuant to existing contracts, increased staffing to support increased caseloads caused by recently enacted legislation, and general salary increases for legislative staff.

The decline in GSCs is due mainly to the prepayment of FY 2025 pension obligations, partially offset by rising health insurance costs, attributed to the escalating cost of health care and prescription drugs, and the cost of enhanced pension benefits for Tier 6 State employees.

Debt Service

The State pays annual debt service on all outstanding State-supported debt issuances, which is affected by the routine prepayment of future debt service costs in prior fiscal years. Adjusting for prepayments, State-related debt service is projected at $6.7 billion in FY 2025, an increase of 12 percent from FY 2024.

OTHER MATTERS AFFECTING THE FINANCIAL PLAN

This section is intended to provide readers with information on certain fiscal pressures, transaction risks, processes, and recent developments that may have financial plan implications and may not otherwise be described in detail elsewhere. The emphasis is on risks to financial projections and management, but it also includes certain information to provide context for the State's financial operations more broadly. This section includes information on the following topics:

- Federal Risks
- Financial Plan Projections
- State Labor Costs
- State Debt
- Localities and Authorities
- Other Risks and Ongoing Concerns

Federal Risks

The amount and composition of Federal funds received by the State fluctuate over time as legislative and regulatory actions at the Federal government level often change. Specific Federal government actions that pose an ongoing risk to the Financial Plan include audits, disallowances, changes to Federal participation rates or other Medicaid rules, discretionary spending reductions, and the expected need for Congress to increase or suspend the debt limit to avoid delaying payments and/or defaulting on debt obligations. In addition, the Financial Plan assumes Federal reimbursement of previously incurred pandemic response and recovery costs. However, there can be no assurance that FEMA will approve claims for the State to receive reimbursement in the amounts or State fiscal years projected in the Financial Plan.

Debt Limit. A Federal government default on payments, particularly for a prolonged period, could have a materially adverse effect on national and state economies, financial markets, and intergovernmental aid payments. Specific effects on the Financial Plan resulting from a future Federal government default are unknown and impossible to predict. However, data from past economic downturns suggests that the State's revenue loss could be substantial if a Federal default triggered an economic downturn.

A payment default by the Federal government may also adversely affect the municipal bond market. Municipal issuers, including the State and its public authorities and localities, could face higher borrowing costs and impaired access to capital markets. This would jeopardize planned capital investments and projects. Additionally, the market for, and market value of, outstanding municipal obligations, including municipal obligations of the State and its public authorities, could be adversely affected.

Federal Aid Reductions. Any significant reductions in Federal aid could have a materially adverse impact on the Financial Plan. Health care and human services programs and assistance receive significant Federal funding and may be particularly affected by potential changes in Federal aid.

Federal funding for Medicaid is subject to review by CMS every five years and is currently extended through March 31, 2027, which supports the Medicaid Managed Care Programs, Children's Home, and Community Based Services (HCBS), and CDPAP that permits enrollees to manage and self-direct providers of personal care services.

In September 2022, the State requested $13.5 billion in new Federal Medicaid funding, over a five-year period, to address health disparities exacerbated by the COVID-19 pandemic. On January 9, 2024, CMS approved a $5.8 billion waiver over a three-year term in response to the State's request. The funding will enable New York to help support social, physical, and behavioral health care services throughout the State. However, the anticipated agreement requires a total of $1.7 billion in additional State resources, which have been assumed in the Financial Plan over the same period. Given the time limit on the Federal funding, these services are expected to be discontinued at the end of the term absent an extension by the Federal government. Accordingly, there is no State or Federal funding included in the Financial Plan projections beyond the term period.

Financial Plan Projections

The Financial Plan projections and the assumptions they are based on are subject to a myriad of risks, including, but not limited to, economic, social, financial, political, public health, and environmental risks and uncertainties. The projections of receipts and disbursements in the Financial Plan are based on reasonable assumptions at the time they were prepared. DOB is unable to provide any assurance that actual results will not differ materially and adversely from these projections.

Receipts. State tax collections are economically sensitive and are affected by the condition of the State and national economies, as well as State and Federal tax law changes, and related taxpayer behavior and migration. Uncertainties and risks that may affect the economic and receipts forecasts include, but are not limited to: national and international events; inflation; consumer confidence; commodity prices; supply chain disruptions; major terrorist events; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; Federal laws and regulations; financial sector compensation; capital gains; and monetary policy affecting interest rates and the financial markets.

The largest component of State tax revenue comes from PIT. Beginning in Tax Year 2021, the State created new PIT brackets for individuals earning over $5 million annually creating a more progressive state income tax system. The top PIT rate is currently 10.9 percent and includes less than 0.1 percent of taxpayers. These brackets expire at the end of tax year 2027 with the three current brackets reverting to a single bracket rate of 8.82 percent.

Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA made extensive changes to Federal PIT, corporate income taxes, and estate taxes, most of which were effective in tax year 2018. One key impact of the TCJA on New York State taxpayers is the $10,000 limit on the deductibility of SALT payments, which represents a large increase in the State's effective tax rate relative to historical experience. Many provisions of the TCJA are scheduled to expire at the end of 2025, including the SALT deduction cap. Consistent with the Internal Revenue Code, revenue projections within the Financial

Plan assume these Federal provisions will expire without replacement and taxpayer behavior will revert to pre-TCJA activity. These assumptions suggest that when the SALT deduction cap expires, taxpayers will no longer utilize the optional PTET nor participate in the optional Employer Compensation Expense Program (ECEP), and they will accelerate payments in tax year 2026 (FY 2027) to take advantage of the SALT deduction cap sunset. It should be noted that PTET and ECEP are independent of the TCJA and are not scheduled to sunset. As such, it is possible that taxpayer utilization of these programs will continue regardless of changes in Federal policies. If PTET utilization continues beyond 2025, the anticipated decline in PTET receipts currently projected in FY 2027 will be mitigated, but PTET, as a program, will remain revenue neutral. However, if the SALT deduction cap is extended, then FY 2027 receipts, exclusive of PTET revenues and credits, are expected to be revised downward by between $3 billion and $4 billion (all else being equal). The revision would be based on expectations for taxpayer payment timing behavior; specifically, taxpayers decelerating PIT payments due to the inability to take advantage of uncapped SALT deductions. As DOB gains additional clarity on Federal tax policies and their implication on PTET and ECEP utilization, the estimates of receipts will be revised in future quarterly Financial Plan updates to reflect any changes.

Non-Tax Receipts. The projection of non-tax receipts and other available resources assumes various transactions will occur as planned, including, but not limited to receipt of Federal aid; certain payments from public authorities; revenue sharing payments under the Tribal-State Compacts; and the collection of fines, fees, and other receipts at levels to support operations, offset General Fund costs and enable transfer of available fund balances to the General Fund. It should be noted that General Fund Medicaid and School Aid spending remains sensitive to the performance of dedicated revenues, such as HCRA and Gaming receipts, used to finance a portion of these program costs.

Disbursements. Projections and timing of disbursements are subject to many of the same risks listed above for receipts, as well as assumptions which may have additional risks including, but not limited to: the level of wage and benefit increases for State employees; changes in the size of the State's workforce; factors affecting the State's required pension fund contributions; the availability of Federal reimbursement, including Federal COVID-19 pandemic emergency assistance; the receipt of Federal approvals necessary to implement the Medicaid savings actions; unanticipated growth in public assistance programs, including the assumed level of utilization of newly expanded benefits; the ability of the State to implement cost reduction initiatives, including reductions in State agency operations, when established, and the success with which the State controls expenditures; and the ability of the State and its public authorities to issue securities successfully in public credit markets. Some of these issues are described in more detail below.

Public Health Insurance Programs/Public Assistance. Medicaid spending growth is largely driven by the aging population's utilization of the State's MLTC program and other programs serving seniors and individuals enrolled in both Medicaid and Medicare. These programs comprise roughly 60 percent of total Medicaid Global Cap spending and the share is expected to rise to nearly 70 percent by 2028 as the baby boomer population ages. By 2030, 23 percent of the State's population is expected to be over age 65, up from 9 percent in 2000. This is expected to place a substantial amount of pressure on the Global Cap limit and is a main driver of the current Global Cap imbalance beginning in FY 2026. There can be no assurance that costs will not exceed projections in the later years of the Financial Plan absent savings and/or rate reductions.

Historically, the State has experienced growth in Medicaid enrollment and public assistance caseloads during economic downturns due mainly to increases in unemployment. Many people who were laid off or otherwise experienced a decrease in family income in 2020 and 2021 due to the COVID-19 pandemic became qualified to enroll and began to participate in public health insurance programs such as Medicaid, EP, and CHP. Due to Federal requirements, participants in these programs remained eligible for coverage for 12 continuous months regardless of changes in employment or income levels that may otherwise make them ineligible.

In June 2023, the State resumed eligibility redeterminations for approximately 9 million public health insurance enrollees to be completed over a fourteen-month period, consistent with CMS requirements. Based on experience to date, disenrollment is significantly less than initially projected, and the State is expected to retain a greater proportion of COVID-19 era enrollees than other states. The State now estimates over 700,000 people will remain enrolled relative to pre-COVID-19 pandemic levels of enrollment. There can be no assurance that actual enrollment will not exceed these levels, which would drive higher spending in the multi-year Financial Plan.

Currently, only non-citizens with certain immigration statuses are eligible for Federal and/or State benefits, including those Permanently Residing Under Color of Law (PRUCOL). While the term PRUCOL is not an immigration status, it is a public benefit category used by OTDA for the purposes of determining eligibility for Safety Net Assistance and by DOH for determining Medicaid eligibility. Administrative actions taken in May 2023 to align the OTDA and DOH definitions of PRUCOL are expected to result in more households becoming eligible for Safety Net Assistance and increase State costs. There can be no assurance that the number of eligible households and related costs will not exceed projections in the later years of the Financial Plan.

Hospital Assistance. The State provides a substantial amount of supplemental funding to private and not-for-profit hospitals beyond traditional Medicaid reimbursement rates and payments through various programs and grants, including the VAPAP, Vital Access Provider (VAP) Program, Graduate Medical Education Incentive Program, and various other programs. Currently, 75 of 261 New York hospitals (29 percent) are deemed financially distressed – a 200 percent increase from FY 2017 that has driven a concomitant 432 percent increase in Federal/State fiscal assistance to these entities. Many hospitals responsible for supporting medical needs in underserved communities across the State, including those with higher rates of uninsured individuals and government payor mix, have been further stressed financially due to the pandemic. Despite hospitals in the State receiving roughly $11 billion in COVID-19 pandemic related assistance from the Federal government, many continue to struggle. As a result, the State has provided substantial targeted funding to certain facilities. These payments are in addition to recurring annual hospital assistance of $984 million provided in aggregate to all hospitals statewide. From FY 2023 through FY 2025, supplemental State support will total more than $1.8 billion – $800 million in FY 2023 of which $100 million was added to the recurring base support; $500 million in FY 2024; and $500 million planned in FY 2025. The FY 2025 Enacted Budget also provides a new investment of $300 million in State support associated with the Safety Net Transformation program to fund projects and partnerships to promote financial sustainability of provider systems, subject to approval.

The importance of the hospital industry to local communities for purposes of accessing critical health care services, as well as other social and economic benefits, including employment opportunities and sustainability, creates the potential for increased cost pressure within the Financial Plan should the State continue to provide supplemental payments to hospitals. There can be no assurance that the State will not continue to commit to additional funding, as many facilities, including those which are not currently fiscally distressed, continue to seek State financial support.

Statutory Growth Caps for School Aid and Medicaid. Beginning in FY 2012, the State enacted spending growth caps intended to limit the year-to-year growth in the State's two largest assistance and grants programs, School Aid and Medicaid. Both caps have been modified since initial implementation and have been impacted by administrative and other actions over the past several years.

The School Aid growth cap limits growth to the annual growth in State Personal Income, as calculated in the Personal Income Growth Index (PIGI). The statutory PIGI for School Aid is based on the average annual income growth over a ten-year period. However, the authorized School Aid increases have exceeded the indexed levels in certain years. Most recently, School Aid increases in SY 2022 through SY 2024 substantially exceeded the PIGI, due to the State's commitment to phase in full funding of the Foundation Aid formula. The final year of this phase-in was completed in SY 2024 driving an annual increase of $3.0 billion (9.4 percent) compared to the indexed PIGI rate of 4.2 percent. The increase in State-funded School Aid for SY 2025 of $1.4 billion (4.1 percent) increases Foundation Aid by 3.9 percent and is slightly above the indexed PIGI rate of 3.7 percent. The Financial Plan projections for SY 2026 and beyond assume that School Aid growth will be based on estimated growth in Foundation Aid and expense-based aids and are below the PIGI rate.

The FY 2025 Enacted Budget includes funding for the Rockefeller Institute of Government, in consultation with various State agencies, to conduct a study of the Foundation Aid formula. The study will assess the current formula and provide recommendations for its update and modification, with any proposed modifications to be fiscally sustainable for the State, local taxpayers, and school districts. The Institute is required to produce a report of its findings and recommendations by December 1, 2024.

Nearly 80 percent of DOH State Funds Medicaid spending growth is subject to the Global Cap that is intended to establish a limit for Medicaid growth. Additional State-share Medicaid spending, outside of the Global Cap, has increased to include supplemental hospital payments, health care bonus payments, and other costs, in addition to State costs for the takeover of Medicaid growth from local governments and reimbursement to providers for increased minimum wage costs. Prior to FY 2023, the Global Cap was calculated using the ten-year rolling average of the medical component of the Consumer Price Index (CPI) for all urban consumers and thus allowed for growth attributable to increasing costs, though not increasing utilization. To accommodate growth in utilization, beginning in FY 2023 the Global Cap was amended to be calculated using the five-year rolling average of health care spending, using projections from the CMS Actuary. The CMS Actuary updates the projections annually and DOB incorporates the revisions into the multi-year forecast with the Enacted Budget, as applicable. The new Global Cap index added a substantial amount of allowable Medicaid growth – over $16 billion covering the six-year period from FY 2023 through FY 2028.

The statutory provisions of the Global Cap grant the Commissioner of Health (the Commissioner) certain powers to limit Medicaid disbursements to the level authorized by the Global Cap and allow for flexibility in adjusting Medicaid projections to meet unanticipated costs resulting from a disaster. The Commissioner's powers are intended to limit the annual growth rate to the levels set by the Global Cap for the then-current fiscal year through actions that may include reducing reimbursement rates to providers. These actions may be dependent upon timely Federal approvals and other elements of the program that govern implementation.

Since the enactment of the Global Cap, the portion of actual State Funds Medicaid spending subject to the Global Cap has remained at or below indexed levels. However, in certain fiscal years, DOH has taken management actions, including adjustments to the timing of Medicaid payments consistent with contractual terms, to ensure compliance with the Global Cap. Similarly, in response to initial delays in the Federal approval of planned FY 2022 through FY 2024 Managed Care Directed Payment Template (DPT), the State advanced payments of over $2.2 billion in State-only payments to certain providers to help them cover their immediate cash flow needs. These advanced payments are expected to be remitted to the State by the providers upon their receipt of Federally approved DPT funds. While all prior year Federal approvals have been granted with respect to those DPT funds, approximately $1.5 billion in provider reimbursements to the State are in various phases of the administrative remittance process. Pursuant to the existing reimbursement structure, DOH assumes full remittance of the $1.5 billion in State advances within FY 2025 to remain under the Global Cap.

Opioid Settlement Fund. The Attorney General and DFS have reached significant opioid related settlements with several corporations for their roles in fueling the opioid epidemic. As a result of the settlements, the State and its subdivisions are expected to receive payments totaling more than $2.7 billion over multiple years extending through 2040. A portion of these payments will go directly to localities under the terms of the settlements, with the remainder paid to the State. The Financial Plan will be updated pending confirmation of the timing and value of the State share of the settlement payments.

The State's share of these settlements will be deposited into the Opioid Settlement Fund pursuant to Chapter 190 of the Laws of 2021, as amended by Chapter 171 of the Laws of 2022. The Opioid Settlement Fund resources will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs and/or for payments to local governments pursuant to such settlements or judgments.

Litigation Risk. The Financial Plan forecast is subject to litigation risk. Litigation against the State may challenge the constitutionality of various actions with fiscal implications. Furthermore, in the aggregate, these litigation matters could still negatively affect the forecasts and projections contained in the Financial Plan.

Financial Plan Risk Management. In developing the Financial Plan, DOB attempts to mitigate financial risks, with an emphasis on the General Fund. It does this by, among other things, exercising caution when calculating total General Fund disbursements and managing the accumulation of financial resources. Such resources include but are not limited to: fund balances that are not needed each year; reimbursement for capital advances; and prepayment of expenses, subject to available resources, to maintain budget flexibility. DOB routinely executes cash management actions to manage the State's large and complex budget. These actions are intended to improve the State's cash flow, manage resources within and across State fiscal years, adhere to spending targets, and better position the State to address unanticipated costs, including economic downturns, revenue deterioration, and unplanned expenses. There is no guarantee that such financial resources or cash management actions will be sufficient to address risks that may materialize in a given fiscal year.

In addition, there can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State may be required to take gap-closing actions to preserve General Fund balance. Such actions may include but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid; delays in or suspension of capital maintenance and construction; extraordinary financing of operating expenses; and use of non-recurring resources. In some cases, the ability of the State to implement such actions requires the approval of the Legislature and cannot be implemented solely by the Governor.

State Labor Costs

Since the last AIS Update, several unions have ratified comparable agreements, retroactive to April 1, 2023, including the New York State Correctional Officers and Police Benevolent Association (NYSCOPBA), the Police Benevolent Association of New York State (PBANYS), and the District Council 37 Rent Regulation Services Unit (DC-37 RRSU). Additionally, the State has achieved a comparable tentative agreement with the Council 82 Security Supervisors Unit (C82 SSPU), subject to ratification by the membership.

The State has commenced labor negotiations with remaining unions for successor contracts; however, there can be no assurance that amounts informally reserved in the Financial Plan for labor settlements and agency operations will be sufficient to fund the cost of future labor contracts.

STATE UNION LABOR CONTRACTS											
	Contract Period	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
CSEA	FY 2022 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
PEF	FY 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
NYSCOPBA	FY 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
PBANYS	FY 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
UUP (SUNY)	AY 2023 - AY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
DC-37 (RRSU)	FY 2024 - FY 2026	2%	2%	2%	2%	2%	2%	2%	3%	3%	3%
GSEU	AY 2020 - AY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSTPBA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
NYSPIA	FY 2019 - FY 2023	1.5%	1.5%	2%	2%	2%	2%	2%	TBD	TBD	TBD
Council 82	FY 2017 - FY 2023	2%	2%	2%	2%	2%	2%	2%	TBD	TBD	TBD

SUNY reached an agreement with United University Professions (UUP) that runs from Academic Year (AY) 2023 to AY 2026 and provides a 2 percent across-the-board salary increase for AY 2023 and 3 percent across-the-board salary increases from AY 2024 to AY 2026. The agreement with UUP will also provide a $1,500 bonus to employees in AY 2025 and AY 2026.

The Judiciary has contracts in place with all unions represented within its workforce, including the Civil Service Employees Association (CSEA) and DC-37 and exclusive Judiciary unions such as the New York State Supreme Court Officers Association, the New York State Court Officers Association, the New York State Court Clerks Association, and eight other unions. These contracts cover a five-year period from FY 2022 through FY 2026 with terms consistent with the CSEA agreement.

Employee Pension Benefits.[10] The State and the Judiciary make annual contributions to the New York State and Local Retirement System (NYSLRS) for employees in the New York State and Local ERS and PFRS. This section discusses contributions to the NYSLRS, which account for most of the State's pension costs.[11] All projections are based on estimated market returns and numerous actuarial assumptions which, if unrealized, could have a materially adverse effect on these projections.

New York State Retirement and Social Security Law (RSSL) Section 11 directs the actuary for NYSLRS to provide regular reports on the System's experience and to propose assumptions and methods for the actuarial valuations. Employer contribution rates for NYSLRS are determined based on investment performance in the Common Retirement Fund and actuarial assumptions recommended by the Retirement System's Actuary and approved by the State Comptroller. Pension estimates are based on the actuarial report issued in August 2023.

[10] The information contained under this heading was prepared solely by DOB and reflects the budgetary aspects of pension amortization. The information that appears later in this AIS Update under the section entitled "State Retirement System" was furnished solely by OSC.

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

On August 31, 2023, the Comptroller announced an increase in employer contribution rates for both ERS and PFRS which will impact expenses in FY 2025. The average employer contribution rate for ERS increased from 13.1 percent to 15.2 percent of payroll, and the average employer contribution rate for PFRS increased from 27.8 percent to 31.2 percent of payroll. The increase in rates was primarily attributable to a negative 4.14 percent investment return in the Common Retirement Fund compared to an expected 5.9 percent rate of return, salary increases for active members, and administrative expenses. In addition, there was a discretionary 0.6 percent increase in the ERS rate and 1.0 percent increase in the PFRS rate due to an understatement of certain liabilities in the previous billing rates.

As a result of the increases in the employer contribution rates, participants in the Contribution Stabilization Program will have the option to amortize a portion of their FY 2025 ERS and PFRS liability over a period of ten years. The amounts eligible for amortization are to be determined by the System's Actuary and will be reflected in the employer's estimated bill. The Financial Plan does not currently assume the State will amortize.

In March 2024, the State prepaid $1.6 billion or 92 percent of the FY 2025 ERS/PFRS pension estimate due on March 1, 2025. The remaining balance was paid in advance of the due date in May 2024. The prepayment generates State interest savings, and the State expects to continue to prepay this expense as fiscal conditions permit.

The Comptroller does not forecast pension liability estimates on a multi-year basis, requiring DOB to forecast cost for the three outyears. DOB's multi-year pension forecast assumes growth in the salary base consistent with collective bargaining agreements and a lower rate of return compared to the current rate of return assumed by NYSLRS.

The FY 2025 Enacted Budget includes legislation that enhances retirement benefits for Tier 6 members. The first action permanently reduces the member's final average salary calculation from five to three years, providing parity with earlier Tier members. The second action extends through April 1, 2026, a provision to exclude overtime when determining a Tier 6 member's variable income contribution, which was first enacted in FY 2023. The annual costs of these reforms are reflected in the Financial Plan and are estimated to be $57 million and $1.4 million, respectively.

Pension Contribution Stabilization Program. Under legislation enacted in August 2010, the State and local governments may amortize (defer paying) a portion of their annual pension costs that exceed a fixed increase. Amortization temporarily reduces the pension costs that must be paid by public employers in a given fiscal year but results in higher costs overall when repaid with interest. The full amount of each amortization must be repaid within ten years at a fixed interest rate determined by OSC. The State and local governments are required to begin repayment on new amortizations in the fiscal year immediately following the year in which the amortization was initiated. The State currently has no outstanding pension amortization liability. The FY 2024 Enacted Budget included legislation to allow public employers the option to terminate participation in the program provided they have paid in full all prior year amortizations. The State currently has no plans to withdraw from the program.

The following table reflects projected pension contributions exclusively for the Executive branch and Judiciary employers participating in ERS and PFRS.

EMPLOYEE RETIREMENT SYSTEM AND POLICE AND FIRE RETIREMENT SYSTEM PENSION CONTRIBUTIONS (millions of dollars)

	Statewide Pension Payments[1]			Rates for Determining Amortization Amount / Excess Contributions			
Fiscal Year	Normal Costs	(Amortization Amount) / Excess Contributions	Total Statewide Pension Payments	System Average Normal Rate[2]		System Average Graded Rate	
				ERS (%)	PFRS (%)	ERS (%)	PFRS (%)
2024	3,435.5	25.4	3,460.9	13.1	27.8	13.1	27.4
2025	447.6	0.0	447.6	15.2	31.2	14.1	28.4
DOB Projections[3]							
2026	2,547.1	0.0	2,547.1	16.2	32.5	15.1	29.4
2027	3,072.5	0.0	3,072.5	17.9	33.7	16.1	30.4
2028	3,727.5	0.0	3,727.5	19.6	34.9	17.1	31.4

[1] Pension Contribution values in this table do not include pension costs related to the ORP, VDC, and TRS for SUNY and SED, whereas the projected pension costs in other Financial Plan tables include such pension disbursements. State payments are recorded on a cash basis based on the fiscal year in which the payment was made. In March 2024, the State prepaid $1.6 billion or 92 percent of the FY 2025 ERS/PFRS pension estimate due on March 1, 2025. The remaining balance was paid in advance of the due date in May 2024.

[2] The System average rate represents the average normal contribution rate over all retirement plans in each system for a given fiscal year. It is calculated by dividing the total normal contributions by the total billable salary from all participating employers in a system for the fiscal year.

[3] Outyear projections are prepared by DOB. The retirement system does not prepare, or make available, outyear projections of pension costs.

The "Normal Costs" reflects the State's underlying pension cost in each fiscal year before the effects of the Contribution Stabilization Program. The "(Amortization Amount)/Excess Contributions" column shows amounts amortized or the excess contributions paid into the pension reserve account. The "Total Statewide Pension Payments" is the State's actual or planned pension contribution, including amortization and excess contributions.

Other Post-Employment Benefits (OPEB). State employees become eligible for post-employment benefits (e.g., health insurance) if they reach retirement while working for the State; are enrolled in either the New York State Health Insurance Program (NYSHIP) or the NYSHIP opt-out program at the time they reach retirement; and have the required years of eligible service. The cost of providing post-retirement health insurance is shared between the State and the retired employee. Contributions are established by law and may be amended by the Legislature. The State is not required to provide funding above the PAYGO amount necessary to provide current benefits to retirees. The State continues to fund these costs, along with all other employee health care expenses, on a PAYGO basis, meaning the State pays these costs as they become due.

The State has deposited nearly $1.5 billion to the RHBTF which was created in FY 2018 as a qualified trust under GASBS No. 75 and is authorized to reserve money for the payment of health benefits of retired employees and their dependents. Under current law, the State may deposit into the RHBTF, in any given fiscal year, up to 1.5 percent of the total then-current unfunded actuarial accrued OPEB liability ($62.5 billion on March 31, 2023). The Enacted Budget includes a continued $250 million annual deposit to the RHBTF that will be dependent on fiscal conditions.

State Debt

Bond Market and Credit Ratings. Successful execution of the Financial Plan is dependent on the State’s ability to market bonds. The State finances much of its capital spending, in the first instance, from the General Fund or STIP, which it then reimburses with proceeds from the sale of bonds. An inability of the State to sell bonds or notes at the level or on the timetable it expects could have a material and adverse impact on the State’s financial position and the implementation of its Capital Plan. The success of projected public sales of municipal bonds is subject to prevailing market conditions and related ratings issued by national credit rating agencies, among other factors. Future developments in the financial markets, including possible changes to the Internal Revenue Code relating to the taxation of interest on municipal bonds, may affect the market for outstanding State-supported and State-related debt.

The major rating agencies – Fitch, Kroll, Moody’s, and S&P – have assigned the State general credit ratings of AA+, AA+, Aa1, and AA+, respectively. The State’s rating has a stable outlook from all four rating agencies. These ratings reflect the State's economic recovery from the COVID-19 pandemic and commitment to strong reserve levels. The most recent rating action was on April 13, 2022, when Moody’s raised the State’s credit rating from Aa2 to Aa1, noting "a significant increase in resources combined with agile fiscal management that has resulted in balanced or nearly balanced budgets projected through the State's five-year financial plan."

Debt Reform Act Limit. The Debt Reform Act of 2000 (“Debt Reform Act”) restricts the issuance of State-supported debt funding to capital purposes only and, with certain limited exceptions for long-lived MTA projects, generally limits the maximum term of bonds to 30 years. The Debt Reform Act limits the amount of new State-supported debt to 4 percent of State personal income, and new State-supported debt service costs to 5 percent of All Funds receipts. The restrictions apply to State-supported debt issued after April 1, 2000. DOB, as administrator of the Debt Reform Act, determined that the State complied with the statutory caps in the most recent calculation period (FY 2023).

The State enacted legislation that suspended certain provisions of the Debt Reform Act for FY 2021 and FY 2022 bond issuances as part of the State's response to the COVID-19 pandemic. Accordingly, State-supported debt issued in FY 2021 and FY 2022 was not limited to capital purposes and is not counted towards the statutory caps on debt outstanding and debt service.

Current projections anticipate that State-supported debt outstanding and State-supported debt service will continue to remain below the limits imposed by the Debt Reform Act. Based on the most recent personal income and debt outstanding forecasts, the available debt capacity under the debt outstanding cap is expected to decline from $25.9 billion in FY 2024 to a low point of $800 million in FY 2029. This calculation includes the estimated impact of funding capital commitments with State bonds. The debt service on State-supported debt subject to the statutory cap is projected at $3.8 billion in FY 2025 inclusive of prior year prepayments, or roughly $8.0 billion below the statutory debt service limit.

DEBT OUTSTANDING SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT (millions of dollars)	
Year	Personal Income	Cap %	Cap $	Debt Outstanding Included in Cap [1]	$ Remaining Capacity	Debt as a % of PI	% Remaining Capacity	Debt Outstanding Excluded from Cap	Supported Debt Outstanding
FY 2024	$1,557,496	4.00%	62,300	36,418	25,882	2.34%	1.66%	17,901	54,319
FY 2025	$1,623,550	4.00%	64,942	44,172	20,770	2.72%	1.28%	17,033	61,205
FY 2026	$1,690,835	4.00%	67,633	53,049	14,584	3.14%	0.86%	16,234	69,283
FY 2027	$1,759,335	4.00%	70,373	63,337	7,036	3.60%	0.40%	15,521	78,858
FY 2028	$1,830,671	4.00%	73,227	70,758	2,469	3.87%	0.13%	14,926	85,684
FY 2029	$1,905,147	4.00%	76,206	75,406	800	3.96%	0.04%	14,318	89,724

DEBT SERVICE SUBJECT TO CAP (millions of dollars)								TOTAL STATE-SUPPORTED DEBT SERVICE (millions of dollars)	
Year	All Funds Receipts	Cap %	Cap $	Debt Service Included in Cap [1]	$ Remaining Capacity	DS as a % of Revenue	% Remaining Capacity	Debt Service Excluded from Cap	Total State-Debt Service [2]
FY 2024	$234,478	5.00%	11,724	4,108	7,616	1.75%	3.25%	1,894	6,002
FY 2025	$236,670	5.00%	11,833	3,847	7,986	1.63%	3.37%	2,870	6,717
FY 2026	$235,350	5.00%	11,767	5,016	6,751	2.13%	2.87%	2,260	7,276
FY 2027	$233,435	5.00%	11,672	6,102	5,570	2.61%	2.39%	1,699	7,801
FY 2028	$243,921	5.00%	12,196	5,185	7,011	2.13%	2.87%	2,976	8,161
FY 2029	$248,204	5.00%	12,410	7,413	4,997	2.99%	2.01%	1,260	8,673

[1] Does not include debt issued prior to April 1, 2000. Does not include debt issued in FY 2021 and FY 2022 because the debt caps were temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

[2] Total State-supported debt service is adjusted for prepayments.

The State uses personal income estimates published by the Federal government, specifically the Bureau of Economic Analysis (BEA), to calculate the cap on debt outstanding, as required by statute. The BEA revises these estimates on a quarterly basis and such revisions can be significant. For Federal reporting purposes, BEA reassigns income from the state where it was earned to the state in which a person resides, for situations where a person lives and earns income in different states (the "residency adjustment"). The BEA residency adjustment has the effect of reducing reported New York State personal income because income earned in New York by non-residents regularly exceeds income earned in other states by New York residents. The State taxes all personal income earned in New York, regardless of place of residency.

Enacted Budget - Debt Cap Changes. In the FY 2025 Enacted Budget, the State includes new bond-financed capital commitments that add $1.2 billion in new debt over the five-year Capital Plan period. The capital spending increases are offset by the FY 2025 Enacted Budget personal income forecast, greater underspending on capital projects than previously assumed, $1 billion of new PAYGO capital spending, and reductions in debt because of legal defeasances to date. The State may adjust capital spending priorities and debt financing practices from time to time to preserve available debt capacity and stay within the statutory limits, as events warrant.

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

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Executive Budget as Amended	**23,461**	**17,891**	**12,153**	**6,048**	**2,226**	**352**
Personal Income Forecast Update	565	1,005	1,044	1,031	1,026	1,039
Capital Adds	0	(222)	(540)	(882)	(1,103)	(1,138)
Capital Re-Estimates/Bond Sale Adjustments	166	814	645	(179)	(372)	(111)
Defeasances	1,690	1,282	1,282	1,018	692	658
Enacted Budget	**25,882**	**20,770**	**14,584**	**7,036**	**2,469**	**800**

[1] Does not include debt issued in FY 2021 and FY 2022 because the debt cap was temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.

Localities and Authorities

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

Financial Condition of New York State Localities. The largest driver of costs for most counties is Medicaid; however, the State has taken over all the growth in the program since FY 2007 and funds the entire cost of minimum wage and homecare wage increases. In addition, certain localities outside the City of New York, including cities and counties, have experienced financial problems, and have been allocated additional State assistance during the last several State fiscal years. The Financial Restructuring Board for Local Governments (the "Restructuring Board") aids distressed local governments by performing comprehensive reviews and providing grants and loans on the condition of implementing recommended efficiency initiatives. For additional details on the Restructuring Board, please visit frb.ny.gov.

MTA. The MTA operates public transportation in the City of New York metropolitan area, including subways, buses, commuter rail, and tolled vehicle crossings. The services provided by the MTA and its operating agencies are integral to the economy of the City of New York and the surrounding metropolitan region, as well as to the economy of the State. MTA operations are funded mainly from fare and toll revenue, dedicated taxes, and subsidies from the State and the City of New York.

MTA Capital Plans also rely on significant direct contributions from the State and the City of New York. The State is directly contributing $9.1 billion to the MTA's 2015-19 Capital Plan and $3.1 billion to the MTA's 2020-24 Capital Plan. These State commitment levels represent substantial increases from the funding levels for prior MTA Capital Plans (2010-2014: $770 million; 2005-2009: $1.45 billion). In addition, a substantial amount of new funding to the MTA was authorized in the FY 2020 Enacted Budget as part of a comprehensive reform plan expected to generate an estimated $25 billion in financing for the MTA's 2020-2024 Capital Plan, including $15 billion from congestion pricing revenues.

On June 5, 2024, Governor Hochul announced that the implementation of congestion pricing in Manhattan, which had been expected to go into effect on June 30, 2024, would be paused for an indeterminate amount of time. Congestion pricing was expected to raise $1 billion of revenue annually to fund $15 billion of the MTA's 2020-2024 Capital Plan. The MTA and the State are evaluating the impact on the MTA's 2020-2024 Capital Plan.

The COVID-19 pandemic caused severe declines in MTA ridership and traffic in 2020, and ridership remains significantly below pre-pandemic levels. In the FY 2024 Enacted Budget, the State took substantial action to provide the MTA with additional operating revenues dedicated to help solve the MTA's fiscal crisis. This included an increase in the metropolitan commuter transportation mobility tax (MCTMT) in the City of New York, a one-time State subsidy of $300 million, an increase in the City of New York's contribution to the MTA for the costs of paratransit services and directing a portion of future casino revenues, the timing of which is uncertain, to the MTA.

Risks to the MTA include, but are not limited to, the level and pace at which ridership will return, the economic conditions of the MTA region, the ability to implement cost controls and savings actions, the ability to implement biennial fare and toll increases, and the ability to fully fund the 2020-2024 Capital Plan. If additional resources are provided by the State, either through additional subsidies or new revenues, it could have a material and adverse impact on the State's Financial Plan.

Other Risks and Ongoing Concerns

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

Storms affecting the State, including Hurricane Ida (September 2021), Superstorm Sandy (October 2012), Tropical Storm Lee (September 2011), and Hurricane Irene (August 2011), and more recently the severe flooding that swept through the Hudson Valley during the summer of 2023, have demonstrated vulnerabilities in the State’s infrastructure (including mass transit systems, power transmission and distribution systems, and other critical lifelines) to extreme weather-driven events, including coastal flooding caused by storm surges and flash floods from rainfall.

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

In 2019, the State enacted the Climate Leadership and Community Protection Act (CLCPA). The CLCPA set the State on a path toward reducing statewide greenhouse gas emissions by 40 percent below the 1990 level by 2030, and 85 percent below the 1990 level by 2050. Additionally, in accordance with the CLCPA, the State plans to require a minimum of 70 percent of electricity to be generated from renewable sources by 2030 and plans to fully transition its electricity sector to zero emissions by 2040. Several factors may impact the ability to achieve these goals and directives, and, therefore, no assurances can be made that such objectives will be met.

The CLCPA created the Climate Action Council (CAC), which was tasked with developing a Scoping Plan with recommendations to reduce greenhouse gas emissions, increase renewable energy usage, and promote climate justice. The CAC approved and adopted the final Scoping Plan on December 19, 2022, which recommended, among many other actions, that the State develop an economywide cap-and-invest program to limit greenhouse gas emissions. The State is currently advancing an economywide cap-and-invest program that establishes a declining cap on greenhouse gas emissions, while seeking to limit potential costs to economically vulnerable New Yorkers, invest proceeds in programs that drive emissions reductions in an equitable manner, and maintain the competitiveness of New York businesses and industries. Pursuant to the CLCPA, the Department of Environmental Conservation (DEC) is required to promulgate rules and regulations to ensure the State meets the CLCPA's statewide greenhouse gas emission limits.

New York's electricity system is already part of a regional cap-and-invest program, the Regional Greenhouse Gas Initiative (RGGI). Since RGGI began operation in 2008, the program has helped reduce greenhouse gases from power plants by more than half and raised over $7.5 billion to support cleaner energy solutions amongst its 11 participating states.

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

- Authorizing the New York Power Authority to plan, design, develop, finance, construct, own, operate, maintain, and improve renewable energy generating projects;

- Prohibiting building systems and/or equipment that burn fossil fuels in new construction starting December 31, 2025 for any new building seven stories or lower, except large commercial and industrial buildings, and December 31, 2028 for other new buildings;

- Requiring new off-road vehicles and equipment sold in New York to be zero-emissions by 2035 and new medium-duty and heavy-duty vehicles to be zero-emissions by 2045;

- Mandating that by no later than July 1, 2027, school districts and private transportation contractors purchase or lease only zero-emission school buses when purchasing or leasing new school buses, with full fleet conversion and operation of zero-emission school buses required by July 1, 2035;

- Appropriating $200 million in FY 2024 to help low-income families retrofit their homes by adding insulation, installing energy efficient appliances, and switching to clean energy; and

- Appropriating $500 million in FY 2024 to advance the offshore wind industry.

During the November 2022 general election, New York State voters approved the Clean Water, Clean Air, and Green Jobs Bond Act. The $4.2 billion bond act will support capital improvements and enhancements in the following areas: flood risk reduction/restorations; open space, working lands conservation, and recreation; climate change mitigation; and water quality improvement and resilient infrastructure.

Cybersecurity. New York State government, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the State and its authorities, agencies, and public benefit corporations, as well as its political subdivisions (including counties, cities, towns, villages, and school districts) face multiple cyber threats involving, but not limited to, hacking, viruses, ransomware, malware and other attacks on computers and other networks and systems. Entities or individuals may attempt to gain unauthorized access to the State's technology environment for the purposes of misappropriating assets or information or causing operational disruption and damage. In addition, the tactics used in malicious attacks to obtain unauthorized access to networks and systems change frequently and are often not recognized until launched against a target. Accordingly, the State may be unable to fully anticipate these techniques or implement adequate preventative measures.

To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the State invests in multiple forms of cybersecurity and operational controls. The State's Chief Information Security Office (CISO) within the State's Office of Information Technology Services (ITS) maintains policies, standards, programs, and services relating to the security of State government networks. The CISO is responsible for annually assessing the maturity of certain State agencies' cybersecurity postures through the Nationwide Cybersecurity Review. In addition, the CISO maintains the New York State Cyber Command Center team, which possesses digital forensics capabilities, and manages cyber incident reporting and response. The CISO also distributes real-time advisories and alerts, provides managed security services, and implements Statewide information security awareness training.

The State has also developed partnerships with local governments to better address cybersecurity threats. In February 2022, the Governor announced the creation of an information-sharing partnership, the Joint Security Operations Center (JSOC). The JSOC is a partnership between the State and the cities of Albany, Buffalo, the City of New York, Rochester, Syracuse, and Yonkers. The JSOC combines local, State, and Federal cyber threat information in order to increase collaboration on threat intelligence, reduce response times, and yield faster and more effective remediation in the event of a major cyber incident. The FY 2025 Enacted Budget continues funding for New York's Shared Services Program, which helps county and local governments and other regional partners acquire and deploy high quality cybersecurity services to bolster their cyber defenses.

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

The State has also adopted regulations designed to protect the financial services industry from cyberattacks. Banks, insurance companies and other covered entities regulated by DFS are, unless eligible for limited exemptions, required to: (a) maintain a cybersecurity program, (b) create written cybersecurity policies and perform risk assessments, (c) designate someone with responsibility to oversee the cybersecurity program, (d) annually certify compliance with the cybersecurity regulations, and (e) report to DFS cybersecurity events that have a reasonable likelihood of materially harming any substantial part of the entity's normal operation(s) or for which notice is required to any government body, self-regulatory agency, or supervisory body.

STATE FINANCIAL PLAN MULTI-YEAR PROJECTIONS

Introduction

This section presents the State's multi-year Financial Plan projections for receipts and disbursements, with an emphasis on FY 2025 projections.

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

Receipts. To facilitate the receipts discussion, State and All Funds receipts reflect estimated tax receipts before distribution to various funds and accounts, including tax receipts dedicated to Capital Projects Funds (which fall outside the General Fund and State Operating Funds accounting perspectives) to provide a clearer picture of projected receipts, trends, and forecast assumptions, and avoid the distortions created by earmarking tax receipts for specific purposes.

Disbursements. To provide a clear representation of spending commitments, the multi-year spending projections, growth rates and summary of annual changes are presented on a State Operating Funds basis to account for spending that is accounted for in dedicated Special Revenue Funds, primarily for School Aid, health, higher education, and transportation. Roughly a quarter of projected State-financed spending for operating purposes (excluding transfers) is reported outside the General Fund.

The Budget development process includes a comprehensive evaluation of the State's multi-year operating forecast; however, estimates and projections in the later years of the Financial Plan are typically subject to more substantial revision than those in the current year and first "outyear." Accordingly, in terms of outyear projections, the first "outyear," FY 2026, is the most relevant from a planning perspective.

The following tables present the Financial Plan multi-year projections for the General Fund and State Operating Funds, as well as a reconciliation between State Operating Funds projections and General Fund budget gaps.

General Fund Projections

GENERAL FUND PROJECTIONS (millions of dollars)	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
RECEIPTS					
Taxes (After Debt Service)	91,927	100,106	101,475	98,002	108,747
Miscellaneous Receipts	4,878	4,460	3,962	2,419	2,083
Federal Receipts	2,250	3,645	0	0	0
Other Transfers	3,942	1,745	1,863	1,487	1,547
Total Receipts	**102,997**	**109,956**	**107,300**	**101,908**	**112,377**
DISBURSEMENTS					
Assistance and Grants	69,119	77,404	81,800	85,806	88,845
School Aid (SFY)	28,843	30,282	31,719	32,757	33,576
Medicaid	20,599	24,046	27,558	29,517	31,223
All Other	19,677	23,076	22,523	23,532	24,046
State Operations	12,300	13,800	14,356	15,232	15,337
Personal Service	9,997	11,136	11,197	11,846	12,108
Non-Personal Service	2,303	2,664	3,159	3,386	3,229
General State Charges	9,651	7,310	10,152	11,490	12,598
Transfers to Other Funds	9,047	9,258	7,474	6,201	7,229
Debt Service	239	286	299	327	333
Capital Projects	5,798	5,116	3,789	2,492	3,657
SUNY Operations	1,535	1,767	1,765	1,761	1,761
All Other	1,475	2,089	1,621	1,621	1,478
Total Disbursements	**100,117**	**107,772**	**113,782**	**118,729**	**124,009**
Use (Reservation) of Fund Balance:	**(2,880)**	**(2,184)**	**4,142**	**12,562**	**4,382**
Debt Management	(81)	576	860	0	0
Economic Uncertainties	(530)	0	500	0	0
Extraordinary Monetary Settlements	460	419	278	368	45
Labor Settlements/Agency Operations	(1,000)	(1,334)	0	0	0
Pandemic Assistance	245	0	0	0	0
Rainy Day Reserve	0	(1,500)	0	0	0
Timing of PTET/PIT Credits	221	(864)	2,504	12,197	300
Undesignated Fund Balance	(2,195)	519	0	(3)	4,037
BUDGET SURPLUS/(GAP) PROJECTIONS	**0**	**0**	**(2,340)**	**(4,259)**	**(7,250)**

State Operating Funds Projections

STATE OPERATING FUNDS PROJECTIONS
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
RECEIPTS					
Taxes	104,930	109,301	110,650	109,152	120,649
Miscellaneous Receipts/Federal Receipts	29,992	26,668	23,311	21,075	20,965
Total Receipts	**134,922**	**135,969**	**133,961**	**130,227**	**141,614**
DISBURSEMENTS					
Assistance and Grants	89,202	97,202	100,809	103,779	106,713
School Aid (School Year Basis)	34,484	35,889	36,954	37,859	38,710
DOH Medicaid	27,804	30,932	34,076	36,003	37,651
Transportation	5,237	5,149	5,334	5,331	5,333
STAR	1,608	1,575	1,547	1,520	1,447
Higher Education	3,122	3,474	3,506	3,510	3,434
Social Services	4,399	6,617	5,506	5,032	5,068
Mental Hygiene, excluding MHSF	5,278	6,457	6,917	7,323	7,500
All Other	7,270	7,109	6,969	7,201	7,570
State Operations	21,578	23,248	24,955	26,031	26,357
Personal Service	15,749	16,978	17,103	17,881	18,282
Non-Personal Service	5,829	6,270	7,852	8,150	8,075
General State Charges	10,696	8,570	11,429	12,791	13,922
Pension Contribution	3,734	734	2,829	3,362	4,025
Health Insurance	5,106	5,743	6,389	7,122	7,493
All Other	1,856	2,093	2,211	2,307	2,404
Debt Service	6,997	3,022	2,896	4,741	5,660
Total Disbursements	**128,473**	**132,042**	**140,089**	**147,342**	**152,652**
Net Other Financing Sources/(Uses)	(3,096)	(2,799)	(1,214)	(245)	(1,096)
RECONCILIATION TO GENERAL FUND GAP					
Designated Fund Balances:	(3,353)	(1,128)	5,002	13,101	4,884
General Fund	(2,880)	(2,184)	4,142	12,562	4,382
Special Revenue Funds	(528)	1,058	863	556	521
Debt Service Funds	55	(2)	(3)	(17)	(19)
GENERAL FUND BUDGET SURPLUS/(GAP)	**0**	**0**	**(2,340)**	**(4,259)**	**(7,250)**

Receipts

Financial Plan receipts include a variety of taxes, fees and assessments, charges for State-provided services, Federal receipts, and other miscellaneous receipts. Multi-year receipts estimates are prepared by DOB with the assistance of the Department of Taxation and Finance (DTF) and other agencies which collect State receipts and are premised on economic analysis and forecasts.

Overall base growth (i.e., growth not due to law changes) in tax receipts is dependent on many factors. In general, base tax receipts growth rates are determined by economic changes including, but not limited to, changes in interest rates, prices, wages, employment, nonwage income, capital gains realizations, taxable consumption, corporate profits, household net worth, real estate prices and gasoline prices. Federal law changes can influence taxpayer behavior, which often alters base tax receipts. State taxes account for approximately half of total All Funds receipts.

Projections of Federal receipts generally correspond to the anticipated spending levels of a variety of programs supported by Federal aid including Medicaid, public assistance, mental hygiene, education, public health, and other activities.

General Fund tax receipts are affected by the deposit of dedicated taxes in other funds for debt service and the STAR program. Changes in debt service on State-supported revenue bonds affect General Fund tax receipts. The State utilizes bonding programs where tax receipts are deposited into dedicated debt service funds (outside the General Fund) and used to make debt service payments. After satisfying debt service requirements for these bonding programs, the balance is transferred to the General Fund. Accordingly, certain tables in the following section display General Fund tax receipts that exclude amounts transferred to the General Fund in excess of amounts needed for certain debt service obligations (e.g., PIT receipts in excess of the amount transferred for debt service on revenue bonds).

Overview of the Receipts Forecast

All Funds receipts in FY 2025 are projected to total $236.7 billion, a 0.9 percent ($2.2 billion) increase from FY 2024 results. FY 2025 State tax receipts, excluding PTET, are projected to increase $3.3 billion (3.0 percent) from FY 2024 results. A summary of the annual changes of each tax category is provided below with the narrative that follows focused on State/All Funds receipts.

ALL FUNDS RECEIPTS
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
Personal Income Tax	53,839	56,995	5.9%	60,166	5.6%	71,362	18.6%	81,732	14.5%
Consumption/Use Taxes	21,865	22,446	2.7%	22,992	2.4%	23,609	2.7%	24,126	2.2%
Business Taxes	27,695	28,792	4.0%	26,260	-8.8%	12,794	-51.3%	13,218	3.3%
Other Taxes	3,048	2,551	-16.3%	2,695	5.6%	2,847	5.6%	3,029	6.4%
Total State Taxes	**106,447**	**110,784**	**4.1%**	**112,113**	**1.2%**	**110,612**	**-1.3%**	**122,105**	**10.4%**
Net PTET/PIT Receipts[1]	221	(864)	-491.0%	2,504	389.8%	12,197	387.1%	300	-97.5%
Total State Taxes, excluding PTET	**106,668**	**109,920**	**3.0%**	**114,617**	**4.3%**	**122,809**	**7.1%**	**122,405**	**-0.3%**
Miscellaneous Receipts	33,755	31,685	-6.1%	34,774	9.7%	33,676	-3.2%	31,799	-5.6%
Federal Receipts	94,276	94,202	-0.1%	88,463	-6.1%	89,150	0.8%	90,018	1.0%
Total All Funds Receipts	**234,478**	**236,671**	**0.9%**	**235,350**	**-0.6%**	**233,438**	**-0.8%**	**243,922**	**4.5%**

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

Personal Income Tax

FY 2025 PIT receipts are estimated to increase from FY 2024, reflecting increases in all major gross receipts components, partially offset by modest growth in total refunds. PIT receipts are expected to be heavily influenced by PTET[12], an elective tax paid by NYS partnerships and S-corporations for which a corresponding PIT credit may be received. Despite being revenue neutral to the overall Financial Plan across all fiscal years, it is expected that the PTET will have a significant negative impact on PIT collections for as long as the Federal limit on SALT deductions remains in effect. Net PIT collections over this period will be suppressed by reduced estimated payments and elevated refunds, with cumulative impacts equal to total PTET liability.

PERSONAL INCOME TAX
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS (Excl. PTET)[1]	**68,015**	**70,879**	**4.2%**	**75,122**	**6.0%**	**82,220**	**9.4%**	**82,032**	**-0.2%**
PTET/PIT Credits	14,176	13,884	-2.1%	14,956	7.7%	10,858	-27.4%	300	-97.2%
STATE/ALL FUNDS	**53,839**	**56,995**	**5.9%**	**60,166**	**5.6%**	**71,362**	**18.6%**	**81,732**	**14.5%**
Gross Collections	70,999	74,889	5.5%	78,825	5.3%	91,026	15.5%	96,809	6.4%
Refunds (Incl. State/City Offset)	(17,160)	(17,894)	-4.3%	(18,659)	-4.3%	(19,664)	-5.4%	(15,077)	23.3%
GENERAL FUND[2]	**25,312**	**26,922**	**6.4%**	**28,536**	**6.0%**	**34,161**	**19.7%**	**39,419**	**15.4%**
Gross Collections	70,999	74,889	5.5%	78,825	5.3%	91,026	15.5%	96,809	6.4%
Refunds (Incl. State/City Offset)	(17,160)	(17,894)	-4.3%	(18,659)	-4.3%	(19,664)	-5.4%	(15,077)	23.3%
STAR	(1,608)	(1,575)	2.1%	(1,547)	1.8%	(1,520)	1.7%	(1,447)	4.8%
RBTF	(26,919)	(28,498)	-5.9%	(30,083)	-5.6%	(35,681)	-18.6%	(40,866)	-14.5%

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

[12] Beginning in FY 2022, the PTET program began affecting reported tax collections. The operation of the PTET program is described under the heading, “PTET Financial Plan Impact” in the Financial Plan Overview section herein.

The following table summarizes, by component, actual PIT receipts for FY 2024 and forecast amounts through FY 2028.

ALL FUNDS PERSONAL INCOME TAX FISCAL YEAR COLLECTION COMPONENTS (millions of dollars)	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Receipts					
Withholding	54,699	57,486	60,432	63,487	65,848
Estimated Payments	10,779	11,707	12,453	21,349	24,520
Current Year	6,331	6,867	7,081	15,538	16,838
Prior Year[1]	4,448	4,840	5,372	5,811	7,682
Final Returns	3,650	3,781	3,971	4,167	4,362
Current Year	405	400	419	439	459
Prior Year[1]	3,245	3,381	3,552	3,728	3,903
Delinquent	1,871	1,915	1,969	2,023	2,079
Gross Receipts	70,999	74,889	78,825	91,026	96,809
Refunds					
Prior Year[1]	10,011	10,534	11,001	11,657	7,669
Previous Year	1,879	1,926	1,965	2,000	1,235
Current Year[1]	3,196	3,000	3,000	3,000	3,000
Advanced Credit Payment	821	1,002	1,162	1,338	1,482
State/City Offset[1,2]	1,253	1,432	1,531	1,669	1,691
Total Refunds	17,160	17,894	18,659	19,664	15,077
Net Receipts[3]	**53,839**	**56,995**	**60,166**	**71,362**	**81,732**
PTET/PIT Credits	14,176	13,884	14,956	10,858	300
Net Receipts, Excluding PTET[4]	**68,015**	**70,879**	**75,122**	**82,220**	**82,032**

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

[2] The State/city offset corrects the distribution of tax payments between the State, NYC, Yonkers, and the Metropolitan Commuter Transportation Mobility Tax.

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

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

FY 2025 withholding is estimated to increase compared to the prior year, reflecting moderate growth in both bonus and non-bonus wages. Current estimated payments for tax year 2024 and extension payments (i.e., prior year estimated) for tax year 2023 are both expected to increase. The growth in extensions - despite an estimated decrease in tax year 2023 non-wage income - reflects a disproportionately steep decline in FY 2024 (tax year 2023) current estimated payments relative to liability and the need to “catch up” through settlement payments, while the projected growth in FY 2025 current estimated payments is consistent with an increase in tax year 2024 non-wage income. Delinquent collections and final return payments are projected to increase as well.

Total refunds in FY 2025 are projected to increase, driven by increases in refunds for tax year 2023 (prior year refunds), refunds for tax years previous to 2023, advanced credit payments (generally STAR credits), and the State/city offset. These increases are partially offset by a scheduled decrease in the administrative refund cap (current year refunds). The FY 2025 prior year refunds estimate includes the influence of the one-time supplemental Empire State Child Credit payments effectuated by FY 2025 Enacted Budget legislation.

FY 2026 PIT receipts are projected to increase due to growth in withholding, total estimated payments, final returns, and delinquencies, partially offset by a modest increase in projected total refunds. The increase in FY 2026 total refunds is primarily driven by refunds for tax year 2024 (prior year refunds), which are expected to produce moderate underlying growth coupled with the contrasting influences of an increase in PTET-related refunds and expiration of the one-time Empire State Child Credit payments.

FY 2027 PIT receipts are expected to register double-digit growth due to the scheduled expiration of the Federal SALT deduction cap at the end of 2025. This expiration is expected to eliminate the incentive to participate in the PTET program and, without the associated credits, current estimated payments are projected to return to pre-PTET levels. Furthermore, the forecast assumes between $3 and $4 billion in estimated payments will be accelerated from extension payments (FY 2028) into current estimated payments (FY 2027) as taxpayers seek to benefit from unlimited SALT deductibility beginning tax year 2026.

FY 2028 PIT receipts are projected to increase from FY 2027 due to growth in all components coupled with a sharp decrease in total refunds. Withholding is projected to increase despite the scheduled expiration of the current top PIT rates after tax year 2027. The expected decline in refunds is attributable to the absence of tax year 2026 PTET-related refunds.

Consumption/Use Taxes

CONSUMPTION/USE TAXES (millions of dollars)	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS	**21,865**	**22,446**	**2.7%**	**22,992**	**2.4%**	**23,609**	**2.7%**	**24,126**	**2.2%**
Sales Tax	19,903	20,371	2.4%	20,864	2.4%	21,418	2.7%	21,940	2.4%
Cigarette and Tobacco Taxes	842	829	-1.5%	793	-4.3%	759	-4.3%	728	-4.1%
Vapor Excise Tax	24	24	0.0%	24	0.0%	24	0.0%	24	0.0%
Motor Fuel Tax	487	484	-0.6%	484	0.0%	480	-0.8%	476	-0.8%
Highway Use Tax	139	140	0.7%	141	0.7%	142	0.7%	144	1.4%
Alcoholic Beverage Taxes	275	276	0.4%	278	0.7%	279	0.4%	280	0.4%
Opioid Excise Tax	22	20	-9.1%	20	0.0%	20	0.0%	20	0.0%
Medical Cannabis Excise Tax	9	5	-44.4%	4	-20.0%	4	0.0%	4	0.0%
Adult Use Cannabis Tax	33	158	378.8%	245	55.1%	339	38.4%	363	7.1%
Auto Rental Tax[1]	131	137	4.6%	137	0.0%	142	3.6%	145	2.1%
Peer to Peer Car Sharing Tax	0	2	0.0%	2	0.0%	2	0.0%	2	0.0%
GENERAL FUND[2]	**9,872**	**10,091**	**2.2%**	**10,315**	**2.2%**	**10,567**	**2.4%**	**10,805**	**2.3%**
Sales Tax	9,315	9,534	2.4%	9,765	2.4%	10,024	2.7%	10,268	2.4%
Cigarette and Tobacco Taxes	260	259	-0.4%	250	-3.5%	242	-3.2%	235	-2.9%
Alcoholic Beverage Taxes	275	276	0.4%	278	0.7%	279	0.4%	280	0.4%
Opioid Excise Tax	22	20	-9.1%	20	0.0%	20	0.0%	20	0.0%
Peer to Peer Car Sharing Tax	0	2	0.0%	2	0.0%	2	0.0%	2	0.0%

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

[2]Excludes Transfers.

All Funds consumption/use tax receipts for FY 2025 are estimated to increase from FY 2024 results. Sales tax receipts are estimated to increase due to moderate growth in taxable consumption, particularly in the services sector. Cigarette and tobacco tax receipts are estimated to decrease reflecting a continuing trend of declining consumption. Motor fuel tax receipts are estimated to experience a minor decrease, partially attributable to an increase in refunds, as consumption remains relatively flat year-over-year. Opioid excise tax receipts are expected to moderately decline, reflecting the continued long-term decline in opioid consumption, as well as the market's shift toward prescribing opioids in the lower wholesale acquisition cost tier, which has a reduced tax rate. Medical cannabis excise tax receipts are estimated to decline by more than 40 percent, as the Enacted Budget reduced the excise tax rate from 7 percent to 3.15 percent. The monies will now be evenly split between the manufacturing county and the distributing county. Adult-use cannabis taxes are projected to significantly increase as the State's cannabis market expands during the second full year of receipts. These estimates are unaffected by the repeal of the THC-based potency tax in the Enacted Budget, which is replaced with a wholesale excise tax of 9 percent. This tax structure change applies to sales starting June 1, 2024, while the existing State and local retail excise tax rates remain unchanged at 9 and 4 percent, respectively. Auto rental tax receipts have rebounded to pre-pandemic levels and are also estimated to increase in FY 2025.

Pursuant to statute, 25 percent of State sales tax receipts were deposited into the Local Government Assistance Tax Fund until the termination of the Fund on October 1, 2022. In FY 2022, the portion deposited into the Sales Tax Revenue Bond Fund was increased to 50 percent (previously 25 percent). Additionally, the portion deposited to the General Fund was temporarily reduced from 50 to 25 percent through October 1, 2022 (i.e., through the first half of FY 2023). General Fund consumption/use tax receipts for FY 2025 are projected to increase, as the increase in State sales tax receipts more than offsets the marginal decreases to cigarette and tobacco tax and opioid tax receipts, coupled with the marginal increases to alcoholic beverage tax and peer-to-peer car sharing tax receipts.

FY 2026 consumption/use tax receipts are projected to increase, primarily due to a small projected increase in sales tax receipts. Most consumption/use taxes are projected to experience flat tax receipt growth in FY 2026, including auto rental, motor fuel, and vapor tax, or see marginal projected growth in receipts, as is the case with highway use tax and alcoholic beverage taxes. Adult-use cannabis taxes are projected to see another significant increase in receipts as the cannabis market continues to grow. However, the increases above are partially offset by a continued decline in taxable cigarette consumption and a further reduction in medical cannabis excise tax receipts as the reduced tax rate will be effective for the full fiscal year.

Consumption/use tax receipts for FYs 2027 and FY 2028 are projected to increase, largely reflecting a projected increase in sales tax receipts and the continued maturation of the adult-use cannabis market, partially offset by a continued decline in taxable cigarette consumption.

Business Taxes

BUSINESS TAXES (millions of dollars)	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS (Excl. PTET)[1]	**13,739**	**14,044**	**2.2%**	**13,808**	**-1.7%**	**14,134**	**2.4%**	**13,218**	**-6.5%**
Pass-Through-Entity Tax	(13,956)	(14,748)	-5.7%	(12,452)	15.6%	1,340	110.8%	0	-100.0%
STATE/ALL FUNDS	**27,695**	**28,792**	**4.0%**	**26,260**	**-8.8%**	**12,794**	**-51.3%**	**13,218**	**3.3%**
Corporate Franchise Tax	9,262	9,295	0.4%	9,201	-1.0%	9,407	2.2%	8,375	-11.0%
Corporation and Utilities Tax	554	603	8.8%	591	-2.0%	596	0.8%	592	-0.7%
Insurance Tax	2,813	2,879	2.3%	2,999	4.2%	3,121	4.1%	3,251	4.2%
Bank Tax	1	212	21100.0%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	13,956	14,748	5.7%	12,452	-15.6%	(1,340)	-110.8%	0	100.0%
Petroleum Business Tax	1,109	1,055	-4.9%	1,017	-3.6%	1,010	-0.7%	1,000	-1.0%
GENERAL FUND[2]	**17,425**	**18,038**	**3.5%**	**16,667**	**-7.6%**	**9,999**	**-40.0%**	**9,889**	**-1.1%**
Corporate Franchise Tax	7,525	7,446	-1.0%	7,308	-1.9%	7,424	1.6%	6,532	-12.0%
Corporation and Utilities Tax	401	468	16.7%	457	-2.4%	461	0.9%	458	-0.7%
Insurance Tax	2,521	2,570	1.9%	2,676	4.1%	2,784	4.0%	2,899	4.1%
Bank Tax	0	180	0.0%	0	-100.0%	0	0.0%	0	0.0%
Pass-Through-Entity Tax	6,978	7,374	5.7%	6,226	-15.6%	(670)	-110.8%	0	100.0%
Petroleum Business Tax	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%

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

CFT receipts in the General Fund are estimated to decrease slightly in FY 2025, primarily reflecting an increase in refunds. FY 2024 refund levels were at their lowest amount since FY 2015 and are expected to return to historical levels. The estimated increase in refunds is partially offset by an estimated modest increase in gross receipts and significant increase in audit receipts after FY 2024 levels falling below historic trend levels.

Corporation and Utilities Tax (CUT) receipts for FY 2025 are estimated to increase significantly over the prior fiscal year after FY 2024 was significantly impacted by the COVID-19 Utility Debt Relief Tax Credit, which resulted in lower gross receipts from the utility sector. Gross receipts from the telecommunication sector are estimated to slightly decline as compared to FY 2024 levels. Audit receipts are estimated to decrease from FY 2024 levels while refunds are estimated to decrease from FY 2024 levels which were higher than long-term trend levels.

Insurance tax receipts for FY 2025 are estimated to increase modestly due to projected increases in insurance tax premiums driving gross receipts, following two years of significant growth. Audits are expected to decrease while refunds are expected to increase slightly as compared to FY 2024.

PTET collections for FY 2025 are estimated to increase due to higher tax year 2024 estimated payments. As noted, DOB expects PTET will be revenue-neutral for the State; however, PTET will not be revenue-neutral within each fiscal year as PTET payments are generally received in the fiscal year prior to PIT credit claims.

Receipts from the repealed bank tax (all from prior liability periods) in FY 2025 are estimated to increase significantly due to an expectation of higher audit receipts. Petroleum Business Tax (PBT) receipts are estimated to decrease from FY 2024 results, primarily due to two successive rate index decreases, as the net impact of a 5 percent decrease in the PBT rate index effective January 1, 2024 is compounded by another projected 5 percent decline effective January 1, 2025.

Business tax receipts for FY 2026 are projected to decrease primarily due to PTET. This decrease in PTET receipts is the result of the scheduled expiration of the SALT deduction cap after tax year 2025 under current Federal law. CFT, CUT and PBT receipts are also projected to decrease, with an increase in insurance tax receipts partially offsetting the overall business tax receipts decrease. The decrease in CFT receipts is driven by an increase in refunds, while PBT receipts reflect a small decrease in consumption.

Business tax receipts for FY 2027 are projected to increase in CFT, CUT and insurance tax, while PTET and PBT are projected to decline. CFT receipts are projected to show the largest increase due to a projected increase in gross receipts. FY 2027 represents the last year of projected PTET receipts due to the scheduled expiration of the SALT deduction cap previously described and is comprised primarily of refunds, partially offset by final return payments.

Business tax receipts for FY 2028 are projected to increase in the insurance tax, while CFT, CUT and PBT are projected to decline. The decrease in CFT receipts is driven by the expiration of the temporary tax rates set to expire after tax year 2026.

Other Taxes

OTHER TAXES (millions of dollars)	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE/ALL FUNDS	**3,048**	**2,551**	**-16.3%**	**2,695**	**5.6%**	**2,847**	**5.6%**	**3,029**	**6.4%**
Estate Tax	1,856	1,375	-25.9%	1,437	4.5%	1,503	4.6%	1,568	4.3%
Real Estate Transfer Tax	1,165	1,147	-1.5%	1,230	7.2%	1,331	8.2%	1,448	8.8%
Employer Compensation Expense Program	14	15	7.1%	15	0.0%	0	-100.0%	0	0.0%
Pari-Mutuel Taxes	12	12	0.0%	12	0.0%	12	0.0%	12	0.0%
All Other Taxes	1	2	100.0%	1	-50.0%	1	0.0%	1	0.0%
GENERAL FUND[1]	**1,876**	**1,397**	**-25.5%**	**1,458**	**4.4%**	**1,516**	**4.0%**	**1,581**	**4.3%**
Estate Tax	1,856	1,375	-25.9%	1,437	4.5%	1,503	4.6%	1,568	4.3%
Employer Compensation Expense Program	7	8	14.3%	8	0.0%	0	-100.0%	0	0.0%
Pari-Mutuel Taxes	12	12	0.0%	12	0.0%	12	0.0%	12	0.0%
All Other Taxes	1	2	100.0%	1	-50.0%	1	0.0%	1	0.0%

[1]Excludes Transfers.

FY 2025 other tax receipts are projected to decrease from FY 2024, primarily due to an expected return to a more typical amount of super-large payments and collections from the estate tax. Also, real estate transfer tax receipts are projected to decrease slightly as the average housing price is projected to decline marginally compared to the prior year.

Other tax receipts in the outyears are projected to increase, largely due to increases in both estate tax and real estate transfer tax receipts, reflecting projected growth in household net worth, housing starts, housing prices and bonuses.

Miscellaneous Receipts

MISCELLANEOUS RECEIPTS (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
ALL FUNDS	**33,755**	**31,685**	**-6.1%**	**34,774**	**9.7%**	**33,676**	**-3.2%**	**31,799**	**-5.6%**
General Fund	4,878	4,460	-8.6%	3,962	-11.2%	2,419	-38.9%	2,083	-13.9%
Special Revenue Funds	23,430	19,092	-18.5%	19,225	0.7%	18,506	-3.7%	18,723	1.2%
Capital Projects Funds	4,941	7,746	56.8%	11,191	44.5%	12,331	10.2%	10,557	-14.4%
Debt Service Funds	506	387	-23.5%	396	2.3%	420	6.1%	436	3.8%

General Fund miscellaneous receipts in FY 2025 are estimated to decrease from FY 2024 results, largely due to lower projected abandoned property, license, fee, and reimbursement receipts.

All Funds miscellaneous receipts in FY 2025 are estimated to decrease from FY 2024 results, driven by the conservative estimation of non-General Fund revenues and the reduction of General Fund receipts, partially offset by the projected growth of bond proceeds receipts, primarily due to the increase in bond-eligible capital spending in FY 2025 and the increased use of PAYGO capital resources, primarily from General Fund transfers, in FY 2024. In addition, the aggregate receipts projections (i.e., the sum of all projected receipts by individual agencies) in State Special Revenue Funds are adjusted downward to reflect aggregate trends and patterns observed between estimated and actual results over time.

All Funds miscellaneous receipts in FY 2026 are projected to increase from FY 2025 estimates, driven by bond proceed income due to higher projected bond-eligible capital spending and decreased use of PAYGO capital resources, primarily from General Fund transfers, partly offset by a projected decline in investment-income.

In the later years of the Financial Plan, All Funds miscellaneous receipts reflect the timing of capital reimbursements and a continued decline in investment income attributable to lower forecasted interest rates and available balances.

Federal Receipts

FEDERAL RECEIPTS (millions of dollars)	FY 2024 Projected	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
ALL FUNDS	**94,276**	**94,202**	**-0.1%**	**88,463**	**-6.1%**	**89,150**	**0.8%**	**90,018**	**1.0%**
General Fund	2,250	3,645	62.0%	0	-100.0%	0	0.0%	0	0.0%
Special Revenue Funds	89,222	87,266	-2.2%	84,720	-2.9%	85,596	1.0%	86,454	1.0%
Capital Projects Funds	2,744	3,229	17.7%	3,685	14.1%	3,501	-5.0%	3,519	0.5%
Debt Service Funds	60	62	3.3%	58	-6.5%	53	-8.6%	45	-15.1%

Aid from the Federal government helps to pay for a variety of programs including Medicaid, public assistance, mental hygiene, School Aid, public health, transportation, and other activities. Annual changes to Federal receipts generally correspond to changes in Federally reimbursed spending. Accordingly, DOB typically projects Federal reimbursements will be received in the State fiscal year in which spending occurs, but due to the variable timing of Federal receipts, actual results often differ from projections.

The changes in Federal receipts projections correspond with expected changes in Federal spending across the Financial Plan period, which include increases to Medicaid, Public Health, Transportation, and Education ARP funds, partially offset by declines in Federal pandemic assistance such as the expiration of COVID-19 eFMAP and ERAP, and the wind-down of other various pandemic assistance including childcare, housing, infrastructure, and other purposes. In addition, Federal receipts reflect an increase in the final use of Federal ARP funds in FY 2025 consistent with Federal treasury rules.

Many of the policies that drive Federal aid may be subject to change. At this time, it is not possible to assess the potential fiscal impact of future policies that may be proposed and adopted. If Federal funding to the State were reduced, this could have a materially adverse impact on the Financial Plan.

Disbursements

The multi-year disbursements projections consider various factors, including statutorily indexed rates intended to limit spending in certain programs, agency staffing levels, program caseloads, inflation, and funding formulas contained in State and Federal law. Factors that affect spending estimates vary by program. For example, public assistance spending is based primarily on anticipated caseloads that are estimated by analyzing historical trends and projected economic conditions. Projections also account for the timing of payments, since not all the amounts appropriated are disbursed in the same fiscal year. Consistent with past practice, the aggregate receipts and spending projections (i.e., the sum of all projected receipts and spending by individual agencies) in State Special Revenue Funds are centrally adjusted downward to reflect aggregate spending trends and patterns observed between estimated and actual results over time.

Assistance and Grants

Assistance and grants spending includes payments to local governments, school districts, health care providers, and other entities, as well as financial assistance to, or on behalf of, individuals, families, and not-for-profit organizations who provide services to individuals. School Aid and health care spending account for most of the State Operating Funds assistance and grants spending. Assistance and grants spending represents approximately two-thirds of total State Operating Funds spending.

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

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

	FY 2024 Actuals[1]	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
HEALTH CARE					
Medicaid - Individuals Covered	7,292,559	6,766,673	6,766,092	6,764,150	6,763,986
Essential Plan - Individuals Covered	1,266,722	1,443,169	1,436,052	1,457,672	1,479,674
Child Health Plus - Individuals Covered	493,206	547,367	558,314	569,480	580,869
State Takeover of County/NYC Costs[2]	$6,451	$7,400	$8,258	$9,026	$9,712
CY 2005 Local Medicaid Cap	$4,620	$5,386	$6,062	$6,647	$7,151
FY 2013 Local Takeover Costs	$1,831	$2,014	$2,196	$2,379	$2,561
EDUCATION					
School Aid (School Year-Basis Funding)[3]	$34,484	$35,889	$36,954	$37,859	$38,710
HIGHER EDUCATION					
Public Higher Education Enrollment (FTEs)	475,772	475,772	TBD	TBD	TBD
Tuition Assistance Program (FTEs)	213,000	261,000	TBD	TBD	TBD
PUBLIC ASSISTANCE					
Family Assistance Program (Families)	187,583	190,791	190,573	189,199	187,540
Safety Net Program (Families)	129,168	131,836	131,570	130,409	128,998
Safety Net Program (Singles)	270,983	284,342	297,258	310,853	325,332
MENTAL HYGIENE					
OMH Community Beds	49,742	51,943	54,420	55,110	55,560
OPWDD Community Beds[4]	44,003	44,375	44,816	45,332	45,932
OASAS Community Beds	13,553	13,841	14,022	14,202	14,252
Total	107,298	110,159	113,258	114,644	115,744

[1] Reflects preliminary unaudited actuals.

[2] Reflects the total State cost of taking over the local share of Medicaid growth, which was initially capped at approximately 3 percent annually, then fully transferred to the State as of calendar year 2015. A portion of the State takeover costs are funded from Master Settlement Agreement resources.

[3] SY 2024 does not reflect a significant amount of federal ARP Act funding for school districts that was distributed over multiple school years, including prekindergarten expansion grants initially supported by this funding that appear on the School Aid run. These prekindergarten expansion grants will be State-funded beginning in SY 2025 and are included in the table for SY 2025 and after.

[4] OPWDD Community Beds actuals and estimates now include self-directed rental subsidies (SDRS).

Education

School Aid

School Aid supports elementary and secondary education for New York pupils enrolled in the State's 673 major school districts. State aid is provided to districts based on statutory aid formulas and through reimbursement of categorical expenses, such as prekindergarten programs, education of homeless children, and bilingual education. State funding for schools assists districts in meeting locally defined needs, such as the construction of school facilities and the education of students with disabilities.

School Year (July 1 — June 30)

The Financial Plan includes $35.9 billion for School Aid in SY 2025, representing an annual increase of approximately $1.4 billion (4.1 percent), inclusive of the State's full takeover of funding for prekindergarten expansion grants previously supported with Federal ARP funds. Excluding the State funds needed to support this takeover, the School Aid increase for SY 2025 totals $1.3 billion (3.8 percent) and includes a $934 million (3.9 percent) increase in Foundation Aid. The Foundation Aid increase is driven largely by the formula's inflation factor, which the Enacted Budget sets at 2.8 percent for SY 2025. School Aid growth also fully funds the projected $366 million increase under current law for expense-based reimbursement programs such as Transportation Aid and Boards of Cooperative Educational Services (BOCES) Aid.

In SY 2026 and beyond, growth in School Aid reflects estimated growth in Foundation Aid and expense-based aids, reflecting DOB's inflation forecast and recent annual expense-based aid growth, respectively.

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

	SY 2024	SY 2025	Change	SY 2026	Change	SY 2027	Change	SY 2028	Change
Total	**34,484**	**35,889**	**1,405**	**36,954**	**1,065**	**37,859**	**905**	**38,710**	**851**
			4.1%		3.0%		2.4%		2.2%

[1] SY 2024 does not reflect a significant amount of Federal ARP Act funding that was distributed to school districts over multiple school years, including prekindergarten expansion grants initially supported by this funding that appear on the School Aid run. These prekindergarten expansion grants will be State-funded beginning in SY 2025 and are included in the table for SY 2025 and thereafter.

State Fiscal Year School Aid

The State finances School Aid from the General Fund, commercial gaming receipts, cannabis sales, mobile sports wagering receipts, and Lottery Fund receipts, including revenues from VLTs. Commercial gaming, lottery, mobile sports wagering, and cannabis receipts are accounted for and disbursed from dedicated accounts. The amount of School Aid spending financed by Lottery and VLT Aid is expected to increase in FY 2025 due to higher than anticipated revenue collections in FY 2024. Additionally, the amount of School Aid spending financed by mobile sports wagering receipts is expected to decrease slightly in FY 2025 due to higher than anticipated revenue collections in FY 2023 that were subsequently used to support disbursements in FY 2024.

Because the State fiscal year begins annually on April 1 and the school year begins annually on July 1, the State typically pays approximately 70 percent of the annual school year commitment during the initial State fiscal year and the remaining 30 percent in the first quarter of the following State fiscal year. The table below summarizes the projected sources of School Aid spending on a State fiscal year basis.

SCHOOL AID - STATE FISCAL YEAR BASIS[1]
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**33,383**	**35,347**	**5.9%**	**36,537**	**3.4%**	**37,477**	**2.6%**	**38,329**	**2.3%**
General Fund Assistance and Grants	28,692	30,142	5.1%	31,578	4.8%	32,618	3.3%	33,436	2.5%
Medicaid	151	140	-7.3%	140	0.0%	140	0.0%	140	0.0%
Lottery Aid	2,303	2,807	21.9%	2,480	-11.6%	2,398	-3.3%	2,398	0.0%
VLT Lottery Aid	1,033	1,096	6.1%	1,025	-6.5%	1,034	0.9%	1,036	0.2%
Commercial Gaming	138	122	-11.6%	128	4.9%	166	29.7%	166	0.0%
Mobile Sports Wagering	1,061	1,040	-2.0%	1,139	9.5%	1,040	-8.7%	1,072	3.1%
Cannabis Revenue	5	0	-100.0%	47	0.0%	81	72.3%	81	0.0%

[1] FY 2024 and FY 2025 do not reflect a significant amount of Federal ARP Act funding that was distributed to school districts over multiple school years, including prekindergarten expansion grants initially supported by this funding that appear on the School Aid run. These prekindergarten expansion grants will be State-funded beginning in SY 2025 and are included in the table for FY 2025 and thereafter.

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

Other Education Funding

The State provides funding and support for various other education-related programs. These include special education services; programs administered by the Office of Prekindergarten through Grade 12 Education; cultural education; higher and professional education programs; and adult career and continuing education services.

OTHER EDUCATION FUNDING (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,457**	**2,796**	**13.8%**	**2,849**	**1.9%**	**2,994**	**5.1%**	**3,142**	**4.9%**
Special Education	1,408	1,507	7.0%	1,597	6.0%	1,694	6.1%	1,795	6.0%
All Other Education	1,049	1,289	22.9%	1,252	-2.9%	1,300	3.8%	1,347	3.6%

The State helps fund special education services for approximately 500,000 students with disabilities, from ages 3 to 21. Major programs under the Office of Prekindergarten through Grade 12 address specialized student needs or reimburse school districts for education-related services, including the school breakfast and lunch programs, after-school programs, and other educational grant programs. Cultural education includes aid for operating expenses of the major cultural institutions, State Archives, State Library, and State Museum, as well as support for the Office of Educational Television and Public Broadcasting. Higher and professional education programs monitor the quality and availability of post-secondary education programs, and license and regulate over 50 professions. Adult career and continuing education services focus on the education and employment needs of the State's adult citizens, ensuring that such individuals have access to a one-stop source for all their employment needs, and are made aware of the full range of services available in other agencies.

Special Education costs are expected to increase from FY 2024 levels due to the continuing impact of a 6.25 percent COLA increase to provider tuition rates implemented in SY 2024 and the return of enrollment to pre-COVID-19 pandemic levels. These increased tuition costs are paid in the first instance by school districts and counties and partially reimbursed by the State starting in the following year. Outyear spending increases are attributable to projected enrollment and cost growth.

Spending for All Other Education Programs in FY 2025 is projected to increase by 22.9 percent, largely driven by the continuation of an FY 2024 State-funded initiative to incentivize qualifying low-income public and nonpublic schools to participate in the Federal CEP program, allowing all students in those schools to eat breakfast and lunch at no charge regardless of their families' income; one-time aid and grant programs; reimbursement to nonpublic schools for State-mandated activities; reimbursement to nonpublic schools for Science, Technology, Engineering, and Math (STEM) instruction; and payments to the City of New York for charter school facilities aid. Lower projected FY 2026 spending is attributable to the discontinuation of one-time aid and grant programs funded in the FY 2025 Enacted Budget. Outyear spending is largely attributable to reimbursements for school meals, nonpublic schools, and charter schools.

School Tax Relief Program

The STAR program provides school tax relief to taxpayers by exempting the first $30,000 of every eligible homeowner's property value from the local school tax levy. Senior citizens with incomes below $98,700 will receive an $84,000 exemption in FY 2025.

Spending on STAR property tax exemptions reflects reimbursements made to school districts to offset the reduction in the amount of property tax revenue collected from homeowners. Since FY 2017, the STAR exemption program has been gradually transitioned from a spending program to an advance refundable PIT credit program. As a result, first-time homebuyers and homeowners who move receive a refundable PIT credit instead of a property tax exemption. This transition did not change the value of the STAR benefit received by homeowners.

The STAR program also includes a credit for income-eligible taxpayers who are residents of the City of New York. The City of New York PIT rate reduction was converted into a State PIT tax credit starting with tax year 2017 and, as of FY 2019, is no longer a component of State Operating Funds spending. This change has no impact on the value of the STAR benefit received by taxpayers.

SCHOOL TAX RELIEF (STAR)
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STAR PROGRAM	**1,608**	**1,575**	**-2.1%**	**1,547**	**-1.8%**	**1,520**	**-1.7%**	**1,447**	**-4.8%**
Gross Program Costs	3,152	3,291	4.4%	3,427	4.1%	3,562	3.9%	3,638	2.1%
Personal Income Tax Credit	(1,544)	(1,716)	-11.1%	(1,880)	-9.6%	(2,042)	-8.6%	(2,191)	-7.3%
Basic Exemption	791	747	-5.6%	699	-6.4%	663	-5.2%	580	-12.5%
Gross Program Costs	1,415	1,556	10.0%	1,646	5.8%	1,744	6.0%	1,776	1.8%
Personal Income Tax Credit	(624)	(809)	-29.6%	(947)	-17.1%	(1,081)	-14.1%	(1,196)	-10.6%
Enhanced (Senior) Exemption	817	828	1.3%	848	2.4%	857	1.1%	867	1.2%
Gross Program Costs	991	1,003	1.2%	1,045	4.2%	1,077	3.1%	1,116	3.6%
Personal Income Tax Credit	(174)	(175)	-0.6%	(197)	-12.6%	(220)	-11.7%	(249)	-13.2%
New York City PIT	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Program Costs	746	732	-1.9%	736	0.5%	741	0.7%	746	0.7%
Personal Income Tax Credit	(746)	(732)	1.9%	(736)	-0.5%	(741)	-0.7%	(746)	-0.7%

All homeowners with incomes above $250,000 were transitioned from the basic exemption benefit program to the advance credit program in FY 2020. Additionally, a zero percent growth cap on the STAR exemption benefit remains in effect. The decline in reported disbursements on STAR exemptions in FY 2025 through FY 2028 can be attributed to these actions. By moving taxpayers to the credit program, the State can more efficiently administer the program while strengthening its ability to prevent abuse. The move from the basic exemption to the credit program does not reduce the value of the benefit received by homeowners.

Higher Education

Assistance and grants spending for higher education includes funding for CUNY, SUNY, and the Higher Education Services Corporation (HESC).

HIGHER EDUCATION (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**3,122**	**3,474**	**11.3%**	**3,506**	**0.9%**	**3,510**	**0.1%**	**3,434**	**-2.2%**
City University	**2,005**	**2,121**	**5.8%**	**2,166**	**2.1%**	**2,199**	**1.5%**	**2,234**	**1.6%**
Senior Colleges	1,764	1,876	6.3%	1,920	2.3%	1,953	1.7%	1,988	1.8%
Community College	241	245	1.7%	246	0.4%	246	0.0%	246	0.0%
Higher Education Services	**579**	**699**	**20.7%**	**714**	**2.1%**	**729**	**2.1%**	**744**	**2.1%**
Tuition Assistance Program	535	633	18.3%	656	3.6%	671	2.3%	686	2.2%
Scholarships/Awards	40	58	45.0%	50	-13.8%	50	0.0%	50	0.0%
Aid for Part-Time Study	4	8	100.0%	8	0.0%	8	0.0%	8	0.0%
State University	**538**	**654**	**21.6%**	**626**	**-4.3%**	**582**	**-7.0%**	**456**	**-21.6%**
Community College	464	476	2.6%	452	-5.0%	452	0.0%	452	0.0%
Other/Cornell	74	178	140.5%	174	-2.2%	130	-25.3%	4	-96.9%

As of Fall 2023 enrollment data, SUNY and CUNY operate 47 four-year colleges and graduate schools with a total enrollment of roughly 364,000 full- and part-time students. SUNY and CUNY also operate 37 community colleges, serving approximately 236,000 students.

State funds support a significant portion of SUNY and CUNY operations. In addition to the spending reflected in the above table, the State provides nearly $2.0 billion in annual support for the fringe benefit costs of all employees at SUNY State-operated campuses; approximately $1.4 billion for SUNY campus operations via an annual General Fund transfer; and an estimated $836 million for debt service payments on bond financed capital projects at SUNY and CUNY in FY 2025. Additionally, an estimated $330 million in student financial aid support will continue to be transferred from HESC to SUNY in FY 2025. This is the result of an accounting change first implemented in FY 2020 to reflect certain financial aid payments made from HESC to SUNY as transfers instead of disbursements.

HESC is New York State's student financial aid agency. HESC oversees State-funded financial aid programs, including the Excelsior Scholarship, TAP, and 26 other scholarship and loan forgiveness programs. Together, these programs provide financial aid to approximately 300,000 students. HESC also partners with OSC in administering the College Choice Tuition Savings program.

Higher education assistance and grants spending is projected to increase by $352 million, or 11.3 percent, from FY 2024 to FY 2025. This spending includes an increase in General Fund operating assistance to CUNY senior colleges. In addition, assistance and grants spending for the State University is projected to increase due to the timing of disbursements of the State endowment match to SUNY University Centers and the continuation of funding for transformational initiatives at State University community colleges. Increased HESC spending is driven by an increase in the maximum income threshold for TAP eligibility across all award schedules, an increase in the minimum TAP award, as well as the expansion of TAP for part-time students to proprietary institutions.

Health Care

DOH works with local health departments and social services departments, including the City of New York, to coordinate and administer statewide health insurance programs and activities, including operating the Medicaid program. The combined benefit of the State's health insurance programs is to provide health care coverage to nearly 9 million low-income individuals and long-term care services for the elderly and disabled. Most government-financed health care programs are included under DOH; however, several programs are also supported through multi-agency efforts. In addition to Medicaid and statewide public health programs, assistance and grants spending for health care includes a variety of mental hygiene programs.

DOH also engages in Federally supported initiatives, including Medicaid redesign, public health, and COVID-19 pandemic response efforts. For more information on the Medicaid Waivers and Federal COVID-19 response efforts please see “Other Matters Affecting the Financial Plan” herein.

Medicaid

Medicaid is a means-tested program that finances health care services for low-income individuals and long-term care services for the elderly and disabled, primarily through monthly premium payments to managed care plans that enroll Medicaid eligible individuals and direct payments to health care providers for services rendered to Medicaid enrollees. According to the most recent Center for Medicare and Medicaid Services Data, New York is the second largest program in terms of spending, behind California, which spends roughly 32 percent more in gross expenditures and covers more than 13 million people. Medicaid services include inpatient hospital care, outpatient hospital services, clinics, nursing homes, managed care, prescription drugs, home care, and services provided in a variety of community-based settings (including personal care, mental health, substance abuse treatment, developmental disabilities services, school-based services, and foster care services). The Medicaid program is financed by the Federal government, the State, and counties, including the City of New York. DOB estimates that spending from all sources, including spending by local governments that is not part of the State's All Funds activity, will total nearly $113 billion in FY 2025. The following table shows the estimated disbursements by level of government.

MEDICAID SPENDING[1] (millions of dollars)					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Federal	**66,754**	**67,767**	**66,622**	**68,859**	**69,685**
	60.1%	60.0%	57.6%	57.3%	56.6%
State (DOH)	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**
	25.4%	27.7%	29.8%	30.2%	30.9%
State (Other Agencies)	**7,672**	**5,298**	**5,817**	**6,172**	**6,534**
	6.9%	4.7%	5.0%	5.1%	5.3%
Local	**8,505**	**8,638**	**8,838**	**8,838**	**8,838**
	7.7%	7.6%	7.6%	7.4%	7.2%
Total	**111,119**	**113,012**	**115,709**	**120,223**	**123,062**

[1] Includes operational costs and FY 2024 Essential Plan spending.

The State-share of DOH Medicaid spending is financed by a combination of the General Fund, HCRA resources, indigent care support, provider assessment revenue, and tobacco settlement proceeds. In any year, Medicaid costs financed by the General Fund may be affected by several factors, including the Medicaid Global Cap, a statutory annual growth cap that applies to a subset of State-share Medicaid spending, financial resources available in HCRA and, to a lesser extent, other State Special Revenue Funds, and temporary changes to the Federal share of Medicaid (e.g., eFMAP). The following tables summarize the expected financing shares over the multi-year plan.

STATE-SHARE MEDICAID FINANCING SOURCES [1] (millions of dollars)					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
General Fund	**20,983**	**24,423**	**27,914**	**29,868**	**31,577**
	74.4%	78.0%	81.1%	82.1%	83.1%
HCRA	**6,058**	**5,526**	**5,478**	**5,446**	**5,388**
	21.5%	17.7%	15.9%	15.0%	14.2%
All Other	**1,147**	**1,360**	**1,040**	**1,040**	**1,040**
	4.1%	4.3%	3.0%	2.9%	2.7%
Total	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**

[1] Includes operational costs and FY 2024 Essential Plan spending.

Enrollment

Medicaid eligibility and enrollment fluctuate with economic cycles. Due to the steep rise in unemployment triggered by the COVID-19 pandemic, as well as Federal limitations on Medicaid disenrollment activities before the expiration of the public health emergency (PHE) on May 11, 2023, Medicaid enrollment has increased significantly since March 2020. The State resumed eligibility redeterminations for the nearly 9 million total public health insurance enrollees, to be completed over a fourteen-month period, consistent with CMS requirements. Based on experience to date, disenrollment is expected to be significantly less than initially projected and the State estimates almost half of the COVID-19 era enrollment increase will remain, driving elevated enrollment costs through FY 2028.

Accordingly, total Medicaid costs are expected to grow annually, due in large part to an increase in high utilization and aging populations, a recent expansion of benefits, and increases to reimbursement rates. Other factors that continue to place upward pressure on State-share Medicaid costs include, but are not limited to, provider reimbursements to cover minimum wage increases; the phase-out of enhanced Federal funding; increased costs and enrollment growth in managed long-term care services for seniors and dual eligibles; and payments to financially distressed hospitals.

The following table summarizes State-share Medicaid spending by agency and the interplay of the MHSF/LSA accounting mechanism between DOH and OPWDD.

TOTAL STATE-SHARE MEDICAID DISBURSEMENTS
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Department of Health Medicaid	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**
Assistance and Grants	29,507	30,932	34,076	36,003	37,651
State Operations	384	377	356	351	354
eFMAP[1]	(1,703)	0	0	0	0
Other State Agency Medicaid Spending	**7,672**	**5,298**	**5,817**	**6,172**	**6,534**
Mental Hygiene[2]	5,924	6,454	6,700	7,022	7,175
MHSF/LSA	1,536	(1,364)	(1,091)	(1,058)	(849)
Foster Care	59	60	60	60	60
Education	151	140	140	140	140
Corrections	2	8	8	8	8
Total State-Share Medicaid (All Agencies)	**35,860**	**36,607**	**40,249**	**42,526**	**44,539**
Annual $ Change		747	3,642	2,277	2,013
Annual % Change		2.1%	9.9%	5.7%	4.7%

1 Includes a portion of the benefit of enhanced Federal share (eFMAP).

2 Excludes a portion of spending reported under the DOH Medicaid Global Cap that has no impact on mental hygiene service delivery or operations.

Factors Affecting Medicaid Funding

Global Cap

The Medicaid Global Cap is a statutory spending cap that applies to a subset of State-share funded Medicaid spending. It is intended to limit the growth of Medicaid costs financed by the General Fund. Since the implementation of the Medicaid Global Cap through FY 2022, the subset of Medicaid spending to which it applied was limited to no greater than the ten-year rolling average of medical price inflation. The FY 2023 Enacted Budget implemented a new Global Cap index based on the five-year rolling average of CMS annual projections of health care spending to better account for enrollment changes, including specific populations, such as the aging and disabled populations, which are significant drivers of costs.

Consistent with the index, the FY 2025 Enacted Budget accounts for the latest projections published by CMS by further increasing allowable Global Cap spending annually between FY 2025 and FY 2028, providing another $386 million over the multi-year plan and nearly $16 billion in aggregate increased spending allowance over the five-year period.

Medicaid spending, subject to the Global Cap Index (GCI), is forecasted to remain within the indexed allowance through FY 2025 but exceed the cap beginning in FY 2026 due to projected utilization and costs trends, particularly within Managed Long-Term Care.

MEDICAID GLOBAL CAP INDEX
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	Five-Year Total
Prior CPI Index (May 2022)	**21,749**	**22,333**	**22,957**	**23,612**	**24,226**	**114,877**
Annual $ Change	577	584	624	655	614	3,054
Annual % Change	2.7%	2.7%	2.8%	2.9%	2.6%	
Increased Spending Under the New Cap[1]	**1,516**	**2,499**	**3,293**	**3,904**	**4,422**	**15,634**
New CMS Index	**23,265**	**24,832**	**26,250**	**27,516**	**28,648**	**130,511**
FY 2025 Enacted Budget	23,265	24,832	27,799	29,158	30,191	135,245
Enacted Budget Over/(Under) Index[2]	**0**	**0**	**1,549**	**1,642**	**1,543**	**4,734**
FY 2025 Enacted Budget	**23,265**	**24,832**	**27,799**	**29,158**	**30,191**	**135,245**
Annual $ Change	1,503	1,567	2,967	1,359	1,033	8,429
Annual % Change	6.9%	6.7%	11.9%	4.9%	3.5%	

[1] Effective FY 2023, growth is indexed to the five-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS) as of March 2020 and updated five-year rolling average pursuant to CMS March 2022 and June 2023 reports.

[2] The Medicaid forecast is projected to spend within the allowable index through FY 2025. Medicaid spending is projected to exceed the cap beginning in FY 2026 due mainly to projected utilization costs and trends.

The Global Cap applies to nearly 80 percent of State-share DOH Medicaid spending. Medicaid spending not subject to the Global Cap includes certain Medicaid spending in other agencies, administrative costs, such as the takeover of local administrative responsibilities, costs related to a portion of the takeover of local government expenses, and costs related to State-mandated increases in the minimum wage and other wage enhancements.

TOTAL DOH MEDICAID SPENDING (millions of dollars)					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Medicaid Global Cap[1]	**23,265**	**24,832**	**26,250**	**27,516**	**28,648**
Annual $ Change	1,503	1,567	1,418	1,266	1,132
Annual % Change	6.9%	6.7%	5.7%	4.8%	4.1%
FY 2025 Enacted Budget Forecast[2]	**0**	**0**	**1,549**	**1,642**	**1,543**
Other Medicaid Not Subject to Global Cap	**4,923**	**6,477**	**6,633**	**7,196**	**7,814**
Minimum Wage	2,413	2,430	2,441	2,451	2,462
Home Care Wages	214	1,480	1,795	2,165	2,590
Local Takeover Cost[3]	1,830	2,013	2,195	2,378	2,561
MSA Payments (Share of Local Growth)[4]	(62)	(325)	(325)	(325)	(325)
All Other	528	529	527	527	526
Healthcare Stability Fund	0	350	0	0	0
Total DOH Medicaid	**28,188**	**31,309**	**34,432**	**36,354**	**38,005**
Annual $ Change	2,397	3,121	3,123	1,922	1,651
Annual % Change	9.3%	11.1%	10.0%	5.6%	4.5%
Hospital Advances/Recoupment[5]	1,497	(1,497)	0	0	0
Adjusted DOH Medicaid[5]	**29,685**	**29,812**	**34,432**	**36,354**	**38,005**
Annual $ Change	3,894	127	4,620	1,922	1,651
Annual % Change	15.1%	0.4%	15.5%	5.6%	4.5%

[1] Effective FY 2023, growth is indexed to the five-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by the Office of the Actuary in the Centers for Medicare & Medicaid Services.

[2] The Medicaid forecast is projected to spend within the allowable index through FY 2025. Gap-closing savings will be necessary in FY 2026 through FY 2028 to ensure Medicaid spending in future years adheres to the Global Cap indexed rate.

[3] Reflects a portion of the State's costs related to paying the full share of Medicaid program growth on behalf of local governments that is outside of the Global Cap.

[4] MSA payments are deposited directly to a Medicaid Escrow Fund to cover a portion of the State's share of local Medicaid growth.

[5] In response to initial delays in the Federal approval of planned FY 2022 through FY 2024 State directed payments, the State advanced over $2.2 billion in State-only payments to distressed providers for immediate cash flow relief. The provider reimbursements to the State are expected to be delayed, resulting in $1.5 billion in additional Medicaid spending in FY 2024 that is anticipated to be repaid in FY 2025.

FY 2025 Enacted State Operating Funds Budget Actions

The FY 2025 Enacted Budget includes $768 million in savings actions (growing to nearly $1.2 billion when fully annualized) to control rising Medicaid costs. The most significant savings actions include:

Transition to a Single Statewide Fiscal Intermediary (FI) & Recalibrate Administrative Reimbursement. New York's CDPAP allows Medicaid enrollees that are determined eligible for personal care services to select their own caregiver, which can include friends or family members. The cost of CDPAP has grown 1,200 percent since 2016, with State costs expected to continue to escalate at unsustainable levels. In response to this expansion, hundreds of private businesses, known as FIs, have emerged that provide payroll functions and administrative support for an administrative fee that is paid by the Medicaid program. Nearly all other States with CDPAP programs utilize one or only a few FIs. The FY 2025 Enacted Budget requires the State to implement a single FI to oversee CDPAP that will absorb administrative and payroll functions from hundreds of existing FIs to more cost effectively administer the program. There is no change to care or services authorized through the CDPAP or any disruption to care expected, and the transition to a single FI is expected to be complete by the end of FY 2025.

Remove the 1 Percent Across-the-Board Increase for Health Plans. Removes the 1 percent surplus payments provided to MCOs, which was previously provided to support administrative costs that were associated with managing the Medicaid pharmacy benefit, which was transitioned to Fee for Service Medicaid, effective April 2023.

Reduce Managed Care and Managed Long-Term Care Quality Pools. Makes reductions to the Managed Care quality pool programs, which provide funding to health plans that meet certain quality benchmarks.

Increase in Expected Audit Recoveries. Consistent with the Office of the Medicaid Inspector (OMIG) and the Attorney General's authority to detect fraudulent, abusive, and wasteful practices within the Medicaid program, the Global Cap assumes $100 million in additional annual recoveries related to overpayments, fraud, and/or payments which should not have been made to health care providers and facilities. The increased audit recoveries reflect prior year investments into program integrity and criminal investigations returning to pre-pandemic levels.

Reduce the Capital Rate Add-on for Hospitals and Nursing Homes. Reduces the Medicaid capital rate add-on for hospitals and nursing homes by 10 percent. Specialty pediatric nursing homes are exempt from this capital reduction.

Reduce the Nursing Home VAPAP. Reduces the Nursing Home VAPAP pool by $75 million to reflect underspending, bringing the total annual pool to $25 million in emergency one-time, State-only funding for financially distressed nursing homes.

FY 2025 ENACTED BUDGET STATE OPERATING FUNDS -- SAVINGS/(COSTS) DEPARTMENT OF HEALTH - MEDICAID GLOBAL CAP (millions of dollars)	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
FY 2025 Base Surplus/(Gap)	**(591)**	**(2,040)**	**(2,060)**	**(2,051)**
Forecasted Enrollment Projections	(402)	(356)	(281)	(201)
FY 2025 Base Surplus/(Gap) with Enrollment	**(993)**	**(2,396)**	**(2,341)**	**(2,252)**
Newly Signed Legislation	(5)	(26)	(26)	(26)
Updated Statutory Global Cap Index	263	158	38	(72)
Delay in Recoupment of Hospital Advances	951	0	0	0
Financial Plan Support of Delayed Hospital Recoupments	(951)	0	0	0
FY 2025 Revised Surplus/(Gap)	**(735)**	**(2,264)**	**(2,329)**	**(2,350)**
Enacted Budget Actions	**768**	**1,155**	**1,155**	**1,155**
Reduce Hospital Capital Rate Add-on by 10%	22	43	43	43
Unallocated Nursing Home VAPAP Reduction	75	75	75	75
Reduce Nursing Home Capital Rate Add-on by 10% (Excluding NH Pediatric Beds)	27	27	27	27
Transition to One Statewide Fiscal Intermediary & Recalibrate Administrative Reimbursement	200	504	504	504
Institute Plan Penalty for Electronic Visit Verification (EVV) Non-Compliance	0	20	20	20
Reduce Mainstream Managed Care (MMC) Quality Pool	34	34	34	34
Reduce Managed Long-Term Care (MLTC) Quality Pool	30	30	30	30
Require Dual-Eligible Special Needs Plans (DSNPs) to Cover Medicaid Dental Benefits in Medicare	3	10	10	10
Remove 1% Across the Board Increase for Health Plans	204	204	204	204
Streamline Medicaid Drug Cap	5	10	10	10
Pharmacy Enhancements and Integration Specialty Drug Management	9	25	25	25
Reduce Coverage for Certain Over-the-Counter (OTC) Pharmaceuticals	18	32	32	32
Procurement Savings and Efficiencies	5	5	5	5
OHIP Non-Personal Service Reduction	25	25	25	25
Increase in Expected Audit Recoveries	100	100	100	100
Modify Early Intervention Billing	11	11	11	11
Other Budget Actions	**460**	**103**	**104**	**107**
Pediatric Clinic Rate Increase	(1)	(1)	(1)	0
Support Essential Plan Operations with Federal Funds	95	104	105	107
Available HCBS eFMAP	366	0	0	0
1115 Waiver	**(451)**	**(474)**	**(501)**	**(385)**
Medicaid Hospital Global Budget Initiative	(275)	(275)	(275)	(275)
Patient Centered (PCMH) Enhancement for Adults/Kids	(74)	(74)	(99)	(99)
SUD Amendment	22	22	22	22
Continuous Eligibility for Kids (0-6) in Medicaid and CHIP	(7)	(30)	(32)	(33)
1115 Additional State Match	(117)	(117)	(117)	0
State of the State Investments	**(42)**	**(69)**	**(69)**	**(69)**
Early Intervention Rate Increases	(6)	(7)	(7)	(7)
Increase Reimbursement for Providers Serving Individuals w/Disabilities	(5)	(10)	(10)	(10)
Increase Rates for MH Provided in Integrated Settings	(21)	(42)	(42)	(42)
Expand Coverage for Adverse Childhood Experience Screening	(1)	(1)	(1)	(1)
Mental Hygiene Medicaid	(8)	(8)	(8)	(8)
Ensuring Access to Comprehensive Gender-Affirming Treatments (Medicaid)	(1)	(1)	(1)	(1)
FY 2025 Enacted Budget Surplus/(Gap)	**0**	**(1,549)**	**(1,640)**	**(1,542)**
Non-Global Cap Revisions Financed by the Financial Plan (Excluded from Above)	**(1,150)**	**0**	**0**	**0**
Financially Distressed and Safety-Net Hospitals Support	(500)	0	0	0
Healthcare Safety Net Transformation Program	(300)	0	0	0
Hospital One-Time Investment (HSF)	(200)	0	0	0
Nursing Home/ALP/Hospice One-Time Investment (HSF)	(150)	0	0	0

Temporary eFMAP

In March 2020, the Federal government signed into law the Families First Coronavirus Response Act (FFCRA) which included a 6.2 percent base increase to the Federal Medical Assistance Percentage (FMAP) rate (retroactive to January 1, 2020) for each calendar quarter occurring during the PHE, with exemptions placed on spending already eligible for enhanced Federal support, including portions of the Affordable Care Act (ACA) expansion. The PHE ended on May 11, 2023, with the expiration of the Federal government's increased share of Medicaid spending (phased down to 1.5 percent) through December 2023. In FY 2024, State-share savings of $1.7 billion from eFMAP were used to offset increased costs associated with elevated COVID-19 enrollment and lost MRT II savings due to Federal restrictions regarding program restructuring while the eFMAP remained in place. No State-share savings are assumed in FY 2025 or beyond.

Minimum Wage and Home Care Wages

Medicaid spending includes the cost of increases in the minimum wage for employees in the health care sector. These costs are not subject to the Global Cap.

The State costs of minimum wage increases in the health care sector are projected to be over $2.4 billion in FY 2025. Home health care workers in the City of New York and certain counties receive supplemental benefits in addition to their base wage. These benefits include paid leave, differential wages, premiums for certain shifts, education, and fringe benefits. The required supplemental benefits typically can be satisfied by increasing the base cash wage for home health care workers by a corresponding amount. As a result, wages for home health care workers in these regions exceed minimum wage levels by $2.54 for the City of New York and $1.67 for Westchester, Nassau, and Suffolk counties. However, State statute exempts the supplemental wages portion of total compensation from the minimum wage calculation to ensure home health care workers in these counties receive incremental growth in wage compensation commensurate with the new minimum wage schedule.

The State authorized wage increases for home health and personal care workers of $1.55 for downstate and $1.35 for the rest of the state, effective January 1, 2024, with additional Statewide wage increases of $0.55 to come January 1, 2025, and January 1, 2026. The increases are partially funded by HCBS eFMAP in FY 2025 but revert to nearly all General Fund support beginning in FY 2026.

The State also automatically increased the State's minimum wage to keep pace with inflation going forward. After reaching $15 per hour, each region's minimum wage will increase consistent with the year-over-year CPI-W for the Northeast Region. The State cost was $53 million in FY 2024 and is projected to grow to over $1.1 billion in FY 2028.

Local Medicaid Cap

The local Medicaid Cap was designed to relieve pressure on county property taxes and the City of New York budget by capping local costs and having the State absorb all local program growth above a fixed statutory inflation rate. Beginning in January 2006, counties' Medicaid cost contributions were capped based on 2005 expenditures and indexed to a growth rate of 3.5 percent in 2006, 3.25 percent in 2007, and 3 percent per year thereafter. In FY 2013, the State committed to phasing out over a three-year period all growth in the local share of Medicaid costs.

The State takeover, which capped local districts' Medicaid costs at calendar year 2015 levels, is projected to save local districts a total of $7.4 billion in FY 2025 -- roughly $3.4 billion for counties outside the City of New York and $4 billion for the City of New York. The following table provides the multi-year savings to local districts.

LOCAL GOVERNMENT SAVINGS
STATE TAKEOVER OF LOCAL MEDICAID COSTS (2005 CAP AND GROWTH TAKEOVER)
FY 2024 to FY 2028

Region	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Rest of State	3,006,371	3,361,031	3,681,743	3,968,519	4,224,955
New York City	3,444,355	4,038,984	4,576,695	5,057,508	5,487,451
Statewide	6,450,726	7,400,015	8,258,438	9,026,027	9,712,406

Master Settlement Agreement (MSA)

DOB expects to receive a perpetual payment from tobacco manufacturers under the MSA consistent with consumption and inflation adjustments authorized in the agreement. New York State law directs these payments be used to help defray the costs of the State's takeover of Medicaid expenses for counties and the City of New York. The MSA payments are deposited directly to the Medicaid Payment Escrow Fund to offset the non-Federal share of annual Medicaid growth, formerly borne by local governments, which the State now pays on behalf of local governments. The deposit mechanism has no impact on overall Medicaid spending funded with State resources but reduces reported State-supported Medicaid spending accounted for in State Operating Funds.

Healthcare Stability Fund (HSF)

Health care costs in New York rose sharply in the aftermath of the COVID-19 pandemic and continue to increase at unsustainable rates, creating pressure on the government funded Medicaid program and safety-net providers. In an effort to expand resources to fund these growing costs, the State is pursuing Federal approval of a MCO tax similar to those imposed by many other states including New Jersey, Louisiana, Michigan, Illinois, and California. The State is currently exploring options that reflect California's recently approved approach, which imposes differential rates between Medicaid plans and non-Medicaid plans. By utilizing differential rates, the tax structure would minimize the impact on the commercial insurance market and generate additional resources for the State to offset any State costs associated with the non-Federal share of related Medicaid premium costs.

Pursuant to the FY 2025 Enacted Budget, the Healthcare Stability Fund (HSF) is established to receive and distribute any revenue generated from the prospective MCO tax. The potential resources that accrue to the HSF are expected to be available to fund investments in the health care delivery system and/or offset current State Medicaid costs. In FY 2025, the Financial Plan includes $350 million in one-time General Fund resources that will be transferred to the HSF to support $200 million in hospital investments, and $150 million in investments for nursing homes, assisted living programs, and hospice. Future investments or spending from the HSF fund will be dependent on CMS approval and successful execution of an MCO tax, therefore no State or Federal funding is included in the Financial Plan projections beyond FY 2025.

Health Care Transformation Fund (HCTF)

The HCTF was created in 2018 to account for receipts associated with health care asset sales and conversions. Resources in the HCTF are transferred to any other fund of the State, as directed by the Director of the Budget, to support health care delivery, including for capital investment, debt retirement or restructuring, housing and other social determinants of health, or transitional operating support to health care providers. The HCTF may be used as a repository for future proceeds related to asset sales and conversions, subject to regulatory approvals.

The table below summarizes the actual and projected receipts from several health care provider conversions and acquisitions and the support for health care transformation activities, including subsidies for housing rental assistance, State-only health care payments, capital projects spending to enhance health care IT, and support for home care delivery.

The Financial Plan maintains the use of nearly $1 billion to support multi-year investments in home care delivery and sustainability efforts through wage increases.

HEALTH CARE TRANSFORMATION FUND
PURSUANT TO PART FFF OF CHAPTER 59 OF THE LAWS OF 2018
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Opening Balance	**563**	**375**	**250**	**125**	**0**
Receipts	**154**	**125**	**125**	**125**	**0**
General Fund Transfer	125	125	125	125	0
STIP Interest	29	0	0	0	0
Planned Uses	**342**	**250**	**250**	**250**	**0**
Home Care Wages	214	250	250	250	0
Housing Rental Subsidies	128	0	0	0	0
Closing Balance	**375**	**250**	**125**	**0**	**0**

Public Health/Aging Programs

The State administers more than 150 separate programs to promote public health and wellbeing and provide access to quality health services for New Yorkers. CHP, the single largest program in this category, provides health insurance coverage for children of low-income families up to the age of 19. The General Public Health Work (GPHW) program reimburses local health departments for the cost of providing certain public health services. The Elderly Pharmaceutical Insurance Coverage (EPIC) program provides prescription drug insurance to seniors. The Early Intervention (EI) program pays for services provided to infants and toddlers with disabilities or developmental delays who are under the age of three. Many public health programs, such as the EI and GPHW programs, are run by county health departments that are reimbursed by the State for a share of the program costs. State spending projections do not include the county share of these programs. In addition, a significant portion of HCRA spending is included under the Public Health budget.

The State Office for the Aging (SOFA) promotes and administers programs and services for New Yorkers 60 years of age and older. SOFA primarily oversees community-based services (including in-home services and nutrition assistance) provided through a network of county Area Agencies on Aging and local providers.

PUBLIC HEALTH AND AGING
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,125**	**2,622**	**23.4%**	**2,526**	**-3.7%**	**2,561**	**1.4%**	**2,609**	**1.9%**
Public Health	**1,952**	**2,415**	**23.7%**	**2,338**	**-3.2%**	**2,373**	**1.5%**	**2,409**	**1.5%**
Child Health Plus[1]	883	1,107	25.4%	1,140	3.0%	1,175	3.1%	1,210	3.0%
General Public Health Work	213	203	-4.7%	206	1.5%	206	0.0%	206	0.0%
EPIC	76	63	-17.1%	63	0.0%	63	0.0%	63	0.0%
Early Intervention	109	71	-34.9%	41	-42.3%	41	0.0%	41	0.0%
Unadjusted	197	168	-14.7%	138	-17.9%	138	0.0%	138	0.0%
Health Services Initiatives Offset	(88)	(97)	-10.2%	(97)	0.0%	(97)	0.0%	(97)	0.0%
Workforce Initiatives[2]	0	24	0.0%	94	291.7%	94	0.0%	94	0.0%
General Fund Assistance and Grants	0	6	0.0%	76	1166.7%	76	0.0%	76	0.0%
HCRA Program	0	18	0.0%	18	0.0%	18	0.0%	18	0.0%
HCRA Program	250	369	47.6%	321	-13.0%	321	0.0%	321	0.0%
Nourish NY	42	50	19.0%	50	0.0%	50	0.0%	50	0.0%
All Other	379	528	39.3%	423	-19.9%	423	0.0%	424	0.2%
Aging	**173**	**207**	**19.7%**	**188**	**-9.2%**	**188**	**0.0%**	**200**	**6.4%**

[1] Increased spending for CHP in FY 2024 and beyond is attributable to the expiration of enhanced Federal resources, including FFCRA eFMAP.

[2] This item represents the local portion workforce Initiatives supported by the General Fund and HCRA Program; an additional $10 million is supported under HCRA State Operations.

Public Health spending is projected to grow by 23.7 percent in FY 2025 but grow by less than 2 percent annually over the remaining years of the Financial Plan period. Growth in FY 2025 reflects increased CHP reimbursement rates, an increase in reimbursement rates for the EI program services and support across various other public health programs, including the nutrition assistance programs and the American Indian Health Program. The annual growth in public health spending is partly offset by administrative savings, including reforms to the EI program service delivery.

Over the multi-year period, the expiration of enhanced Federal resources, including FFCRA eFMAP for the CHP program, drives recurring costs. Similarly, the Financial Plan maintains funding to address the needs of individuals living in underserved communities by ensuring surplus agricultural products are rerouted through the State's network of food banks; monitoring and providing support for unforeseen public health emergencies; reducing infant, child, and maternal mortality; improving maternal mental health; easing access to gender-affirming care; and maintaining on-going workforce investments to safeguard access and delivery to health care.

The Financial Plan maintains support for SOFA to address locally identified capacity needs, including: retention of the elderly in their communities; support for family and friends in their caregiving roles; reduction of future Medicaid costs by intervening earlier with less intensive services; establishment of quality reporting and accreditation for assisted living residences; and implementation of quality improvement initiatives in nursing homes to promote transparency.

HCRA Financial Plan

HCRA was established in 1996 to help fund a portion of State health care activities and is currently authorized through FY 2026. HCRA resources include surcharges and assessments on hospital revenues, a "covered lives" assessment paid by insurance carriers, and a portion of cigarette tax revenues. These resources are used to fund roughly 25 percent of State-share Medicaid costs, and other programs and health care industry investments, including: CHP; EPIC; Physician Excess Medical Malpractice Insurance; Indigent Care payments to hospitals serving a disproportionate share of individuals without health insurance; Worker Recruitment and Retention; Doctors Across New York (DANY); Nurses Across New York (NANY); and the Statewide Health Information Network for New York (SHIN-NY)/All-Payer Claims Database (APCD).

HCRA FINANCIAL PLAN
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
OPENING BALANCE	91	55		0		0		0	
TOTAL RECEIPTS	7,411	7,273	-1.9%	7,269	-0.1%	7,266	0.0%	7,242	-0.3%
Surcharges	4,810	4,810	0.0%	4,830	0.4%	4,850	0.4%	4,850	0.0%
Covered Lives Assessment[1]	1,169	1,150	-1.6%	1,150	0.0%	1,150	0.0%	1,150	0.0%
Cigarette Tax Revenue	582	570	-2.1%	543	-4.7%	517	-4.8%	493	-4.6%
Hospital Assessments	574	507	-11.7%	510	0.6%	512	0.4%	512	0.0%
Excise Tax on Vapor Products	24	24	0.0%	24	0.0%	24	0.0%	24	0.0%
NYC Cigarette Tax Transfer	13	13	0.0%	13	0.0%	13	0.0%	13	0.0%
EPIC Receipts/ICR Audit Fees/Interest	89	49	-44.9%	49	0.0%	50	2.0%	50	0.0%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	150	0.0%	150	0.0%
TOTAL DISBURSEMENTS AND TRANSFERS	7,447	7,328	-1.6%	7,269	-0.8%	7,266	0.0%	7,242	-0.3%
Medicaid Assistance Account	5,449	4,895	-10.2%	4,847	-1.0%	4,815	-0.7%	4,757	-1.2%
Medicaid Costs	5,124	4,570	-10.8%	4,522	-1.1%	4,490	-0.7%	4,432	-1.3%
Distressed Provider Assistance[2]	150	150	0.0%	150	0.0%	150	0.0%	150	0.0%
Workforce Recruitment & Retention	175	175	0.0%	175	0.0%	175	0.0%	175	0.0%
Hospital Indigent Care	598	631	5.5%	631	0.0%	631	0.0%	631	0.0%
HCRA Program Account	257	405	57.6%	358	-11.6%	358	0.0%	357	-0.3%
Child Health Plus	897	1,126	25.5%	1,161	3.1%	1,196	3.0%	1,232	3.0%
Elderly Pharmaceutical Insurance Coverage	88	74	-15.9%	74	0.0%	74	0.0%	74	0.0%
Qualified Health Plan Administration	38	53	39.5%	51	-3.8%	50	-2.0%	49	-2.0%
Roswell Park Cancer Institute	51	55	7.8%	51	-7.3%	51	0.0%	51	0.0%
SHIN-NY/APCD/Modernization	42	45	7.1%	45	0.0%	40	-11.1%	40	0.0%
All Other	27	44	63.0%	51	15.9%	51	0.0%	51	0.0%
ANNUAL OPERATING SURPLUS/(DEFICIT)	(36)	(55)		0		0		0	
CLOSING BALANCE	55	0		0		0		0	

1 Pursuant to Chapter 820 of the Laws of 2021, the Updated HCRA Financial Plan includes $40 million in additional Covered Lives Assessment for Early Intervention.

2 HCRA Financial Plan includes resources from local county contributions in support of State funded payments to distressed health care providers through the Medicaid program.

Total HCRA receipts are anticipated to remain steady over the course of the multi-year plan and reflect the assumption that health care surcharge and assessment collections will remain relatively flat while cigarette tax revenues will moderately decline, concurrent with cigarette consumption. These declines are offset by $150 million in annual revenues set aside to support distressed providers through Medicaid program payments.

HCRA spending over the same plan period reflects over $4.5 billion in continued support for Medicaid spending, including the $150 million set aside for distressed providers and $1.1 billion for the CHP program. Estimated growth in CHP spending reflects the expiration of enhanced Federal resources provided through the ACA and expected growth in enrollment, utilization, and reimbursements rates. Additionally, to support new enrollment associated with the Medical Indemnity Fund, the Financial Plan includes $58 million in non-recurring funding; these FY 2025 resources will support new enrollment through March 31, 2025, and are in addition to the $52 million in ongoing annual base support.

As of the FY 2025 Enacted Budget, HCRA is expected to remain in balance over the Financial Plan period. Under the current HCRA appropriation structure, spending reductions will occur if resources are insufficient to maintain a balanced fund. Any such spending reductions could affect General Fund Medicaid funding or HCRA programs. Conversely, any unanticipated balances or excess resources in HCRA are expected to fund Medicaid costs that would have otherwise been paid from the General Fund.

Mental Hygiene

The Mental Hygiene agencies consist of OPWDD, OMH, Office of Addiction Services and Supports (OASAS), the Council on Developmental Disabilities (CDD), and the Justice Center for the Protection of People with Special Needs (Justice Center). These agencies provide services directly to their clients through State-operated facilities and indirectly through community-based providers. Services are provided for adults with mental illness, children with emotional disturbance, individuals with intellectual and developmental disabilities and their families, people with substance use disorder, and individuals with problem gambling. The service costs are reimbursed by Medicaid, Medicare, third-party insurance, and State funding.

MENTAL HYGIENE
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**6,814**	**5,093**	**-25.3%**	**5,826**	**14.4%**	**6,265**	**7.5%**	**6,651**	**6.2%**
People with Developmental Disabilities	**2,974**	**3,337**	**12.2%**	**3,552**	**6.4%**	**3,734**	**5.1%**	**3,925**	**5.1%**
Residential Services	1,480	1,678	13.4%	1,773	5.7%	1,862	5.0%	1,956	5.0%
Day Programs	745	845	13.4%	892	5.6%	937	5.0%	984	5.0%
Clinic	18	20	11.1%	22	10.0%	23	4.5%	24	4.3%
All Other Services (Net of Offsets)	731	794	8.6%	865	8.9%	912	5.4%	961	5.4%
Mental Health	**1,767**	**2,393**	**35.4%**	**2,747**	**14.8%**	**2,936**	**6.9%**	**2,937**	**0.0%**
Adult Local Services	1,572	1,842	17.2%	2,225	20.8%	2,378	6.9%	2,379	0.0%
Children Local Services	179	462	158.1%	522	13.0%	558	6.9%	558	0.0%
MLR/BHET Reinvestment[1]	16	89	456.3%	0	-100.0%	0	0.0%	0	0.0%
Addiction Services and Supports	**536**	**726**	**35.4%**	**617**	**-15.0%**	**652**	**5.7%**	**637**	**-2.3%**
Residential	113	135	19.5%	142	5.2%	151	6.3%	155	2.6%
Other Treatment	208	251	20.7%	264	5.2%	280	6.1%	287	2.5%
Prevention	60	72	20.0%	76	5.6%	81	6.6%	83	2.5%
Recovery	40	48	20.0%	51	6.3%	55	7.8%	55	0.0%
Opioid Settlement Fund[2]	90	141	56.7%	37	-73.8%	38	2.7%	38	0.0%
Opioid Stewardship Fund[3]	11	41	272.7%	47	14.6%	47	0.0%	19	-59.6%
MLR/BHET Reinvestment[1]	14	38	171.4%	0	-100.0%	0	0.0%	0	0.0%
Justice Center	**1**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**	**1**	**0.0%**
Total DOH Medicaid Global Cap Adjustments[4]	**1,536**	**(1,364)**	**-188.8%**	**(1,091)**	**20.0%**	**(1,058)**	**3.0%**	**(849)**	**19.8%**
OPWDD Local Share	1,427	650	-54.4%	27	-95.8%	27	0.0%	27	0.0%
OPWDD Spending Funded by Global Cap	(842)	(1,063)	-26.2%	(1,118)	-5.2%	(1,085)	3.0%	(876)	19.3%
OPWDD Offset for Hospital Recoupment	951	(951)	-200.0%	0	100.0%	0	0.0%	0	0.0%
TOTAL MENTAL HYGIENE SPENDING	**5,278**	**6,457**	**22.3%**	**6,917**	**7.1%**	**7,323**	**5.9%**	**7,500**	**2.4%**

1 The Financial Plan reinvests recoveries from Managed Care companies attributable to their underspending against Medical Loss Ratio (MLR) by Health and Recovery Plans and Behavioral Health Expenditure Targets (BHET) by Mainstream MCOs. Predetermined thresholds attribute a percentage of premium spending that must be spent on care for enrollees with any underspending being recovered from insurers.

2 Pursuant to Section 99-nn of the State Finance Law, the Opioid Settlement Fund consists of funds received by the State as the result of a settlement or judgment against opioid manufacturers, distributors, dispensers, consultants or resellers and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs consistent with statewide opioid settlement agreements.

3 The Opioid Stewardship Fund consists of funds received by the State through collection of Opioid Stewardship taxes and will be used to supplement funding for substance use disorder prevention, treatment, recovery, and harm reduction services or programs.

4 In response to initial delays in the Federal approval of planned FY 2022 through FY 2024 State directed payments, the State advanced State-only payments to distressed providers for immediate cash flow relief. In FY 2024, provider reimbursements to the State were delayed, resulting in additional Medicaid spending that is anticipated to be repaid in FY 2025.

The Financial Plan includes continued support for individuals with developmental disabilities to ensure appropriate access to care, including funding to expand independent living opportunities, provide choice in service options, and support the return to pre-COVID-19 pandemic utilization levels.

Funding continues to be included to support OMH community services and the transition of individuals from inpatient to community settings. Additional investments in supported housing account for annual property-related cost increases and help ensure existing housing is maintained as new units are developed. Other additional funding for OMH services includes expanding the Loan Repayment Program, supporting mental health specialists in mental health courts, additional intensive Forensic Assertive Community Treatment (FACT) teams, funding for mobile care units that provide hot showers, hygiene kits, linkage to critical care for unhoused individuals, and mental health supports for first responders.

Increased funding for OASAS addiction service programs will support not-for-profit providers for addiction prevention, treatment, harm reduction, and recovery programs. Similarly, the multi-year Financial Plan includes over $500 million in additional resources from the Opioid Stewardship Tax and litigation settlements with pharmaceutical manufacturers and distributors that will be targeted at the overdose epidemic through investments in addiction services programs.

The Financial Plan also continues funding to increase the minimum wage index with inflation; establish and operate 3,500 new residential units for New Yorkers with mental illness; significantly expand outpatient mental health services; enhance mental health services in schools; and increase funding for Critical Time Intervention (CTI) teams and specialized programs for children. The FY 2025 Enacted Budget also supports a 2.84 percent COLA for voluntary operated providers.

The level of Mental Hygiene spending reported under the DOH Medicaid Global Cap and/or the OPWDD related local share expenses funded with additional financial plan resources have no impact on mental hygiene service delivery or operations and may fluctuate depending on the availability of resources and other cost pressures within the Medicaid program.

Social Services

OTDA

OTDA assistance and grants programs provide cash benefits and supportive services to low-income families. The State's three main programs are Family Assistance, Safety Net Assistance, and Supplemental Security Income (SSI). The Family Assistance program, financed by the Federal government, provides time-limited cash assistance to eligible families. The Safety Net Assistance program, financed by the State and local districts, provides cash assistance for single adults, childless couples, and families that have exhausted their five-year limit on Family Assistance imposed by Federal law. The State SSI supplementation program provides a supplement to the Federal SSI benefit for the elderly, the visually handicapped, and disabled persons.

TEMPORARY AND DISABILITY ASSISTANCE
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,313**	**3,830**	**65.6%**	**2,588**	**-32.4%**	**1,972**	**-23.8%**	**1,995**	**1.2%**
SSI	543	590	8.7%	590	0.0%	590	0.0%	590	0.0%
Public Assistance Benefits	665	774	16.4%	755	-2.5%	777	2.9%	800	3.0%
Public Assistance Initiatives	16	33	106.3%	12	-63.6%	29	141.7%	29	0.0%
Homeless Housing and Services	151	295	95.4%	392	32.9%	440	12.2%	440	0.0%
Rental Assistance	422	187	-55.7%	152	-18.7%	125	-17.8%	125	0.0%
Asylum Seeker Assistance	508	1,930	279.9%	676	-65.0%	0	-100.0%	0	0.0%
All Other	8	21	162.5%	11	-47.6%	11	0.0%	11	0.0%

DOB's caseload models project a total of 606,969 public assistance recipients in FY 2025. Approximately 190,791 families are expected to receive benefits through the Family Assistance program and 131,836 through the Safety Net Assistance program in FY 2025, an increase in both programs from FY 2024. The caseload for single adults and childless couples supported through the Safety Net Assistance program is projected to be 284,342 in FY 2025, an increase of 4.9 percent from FY 2024 actuals.

OTDA spending in FY 2025 reflects decreased projections for Rental Assistance as the pandemic-related Emergency Rental Assistance and Landlord Assistance programs wind down, partially offset by increases for Homeless Housing and Services that reflect the continued transition from State settlement funds to the General Fund for ESSHI, which funds supportive housing constructed for vulnerable homeless populations under the Governor's Affordable Housing and Homelessness Plan. This reflects the full estimated costs for ESSHI that are shared by multiple agencies.

Growth in Safety Net Assistance spending is driven by an increase in the Public Assistance caseload, particularly in the City of New York. There is a significant spending increase to support asylum seekers due to the State providing time-limited support to the City of New York for the projected costs of providing services and assistance to the eligible population that has grown in the last year. SSI cost increases are attributed to potential fluctuations in benefit payments.

Office of Children and Family Services (OCFS)

OCFS provides funding for foster care, adoption, child protective services, preventive services, delinquency prevention, and child care. It oversees the State's system of family support and child welfare services administered by local social services districts and community-based organizations. Specifically, child welfare services, financed jointly by the Federal government, the State, and local districts, are structured to encourage local governments to invest in preventive services for reducing out-of-home placement of children. In addition, the Child Care Block Grant, which is also financed by a combination of Federal, State, and local sources, supports child care subsidies for public assistance and low and middle-income families.

CHILDREN AND FAMILY SERVICES (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**2,086**	**2,787**	**33.6%**	**2,918**	**4.7%**	**3,060**	**4.9%**	**3,073**	**0.4%**
Child Welfare Service	695	806	16.0%	806	0.0%	806	0.0%	806	0.0%
Foster Care Block Grant	398	400	0.5%	400	0.0%	400	0.0%	400	0.0%
Child Care	432	908	110.2%	1,096	20.7%	1,229	12.1%	1,229	0.0%
Adoption	156	161	3.2%	161	0.0%	161	0.0%	161	0.0%
Youth Programs	163	106	-35.0%	102	-3.8%	102	0.0%	102	0.0%
Medicaid	59	60	1.7%	60	0.0%	60	0.0%	60	0.0%
Adult Protective/Domestic Violence	54	54	0.0%	54	0.0%	54	0.0%	54	0.0%
Committees on Special Education	0	0	0.0%	29	100.0%	29	0.0%	29	0.0%
All Other	129	292	126.4%	210	-28.1%	219	4.3%	232	5.9%

The FY 2025 Enacted Budget continues State support for child care subsidies previously funded with Federal resources and provides additional funding to child care providers who meet certain quality standards, provide services to certain populations, or are open during non-traditional work hours. In addition, the budget maintains for one year, the restructured financing approach for residential school placements of children with special needs outside New York City that was included in the FY 2024 Enacted Budget, thereby aligning the fiscal responsibility with the school district responsible for the placement.

Additional FY 2025 Enacted Budget actions include providing a 2.84 percent COLA for eligible programs, increased support for the Supervision and Treatment Services for Juveniles Program, and one-time funding for community-based organizations.

Transportation

The Department of Transportation (DOT) maintains approximately 43,700 State highway lane miles and 7,700 state highway bridges. DOT also partially funds regional and local transit systems, including the MTA; local government highway and bridge construction; and rail, airport, and port programs.

In FY 2025, the State plans to provide $8.8 billion in operating aid to mass transit systems, including $3.7 billion from the direct remittance of various dedicated taxes and fees to the MTA that do not flow through the State's Financial Plan and are thus excluded from the table below. The MTA, the nation's largest transit and commuter rail system, is scheduled to receive $7.9 billion (approximately 90 percent) of the State's mass transit aid.

TRANSPORTATION (millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
STATE OPERATING FUNDS SUPPORT	**5,237**	**5,149**	**-1.7%**	**5,334**	**3.6%**	**5,331**	**-0.1%**	**5,333**	**0.0%**
Mass Transit Operating Aid:	3,691	3,889	5.4%	4,078	4.9%	4,078	0.0%	4,078	0.0%
Metro Mass Transit Aid	3,532	3,728	5.5%	3,916	5.0%	3,916	0.0%	3,916	0.0%
Public Transit Aid	115	117	1.7%	118	0.9%	118	0.0%	118	0.0%
18-b General Fund Aid	19	19	0.0%	19	0.0%	19	0.0%	19	0.0%
School Fare	25	25	0.0%	25	0.0%	25	0.0%	25	0.0%
Mobility Tax	244	244	0.0%	244	0.0%	244	0.0%	244	0.0%
NY Central Business District Trust	155	156	0.6%	158	1.3%	159	0.6%	161	1.3%
Dedicated Mass Transit	667	647	-3.0%	644	-0.5%	644	0.0%	644	0.0%
MTA Fiscal Relief	305	0	-100.0%	0	0.0%	0	0.0%	0	0.0%
AMTAP	155	182	17.4%	181	-0.5%	181	0.0%	181	0.0%
Innovative Mobility	0	4	100.0%	4	0.0%	0	-100.0%	0	0.0%
All Other	20	27	35.0%	25	-7.4%	25	0.0%	25	0.0%

Projected operating aid to the MTA and other transit systems reflects the current receipts forecast. The projected $88 million decrease in spending is due to the nonrecurrence of $305 million in FY 2024 one-time funding to the MTA to address extraordinary financial impacts resulting from the pandemic. This decrease is partially offset in FY 2025 by a $217 million projected increase, which includes an additional $34 million for non-MTA downstate transit systems (5.6 percent growth per system over the prior year) and a $27 million increase in upstate transit aid (8.7 percent growth). Not including one-time aid, MTA assistance is projected to grow by $145 million. The Innovative Mobility and All Other categories are scheduled to increase by $11 million.

Agency Operations

Agency operations spending consists of PS and NPS. Fringe benefits (e.g., pensions and health insurance) provided to State employees and retirees, as well as certain fixed costs such as litigation expenses and taxes on public lands, are also part of operating costs and are described separately under GSCs. PS includes salaries of State employees of the Executive, Legislative, and Judicial branches consistent with current negotiated collective bargaining agreements, as well as temporary/seasonal employees. NPS includes real estate rentals, utilities, contractual payments (e.g., consultants, IT, and professional business services), supplies and materials, equipment, and telephone service. Certain agency operating costs of DOT and the Department of Motor Vehicles (DMV) are included in Capital Projects Funds and are not reflected in State Operating Funds.

Over 90 percent of the State workforce is unionized. The largest unions include CSEA, which represents office support staff, administrative personnel, machine operators, skilled trade workers, and therapeutic and custodial care staff; Public Employees Federation (PEF), which represents professional and technical personnel (attorneys, nurses, accountants, engineers, social workers, and institution teachers); UUP, which represents faculty and nonteaching professional staff within the SUNY system; and NYSCOPBA, which represents security personnel (correctional, safety and security officers).

The following table presents certain factors used in preparing the spending projections for agency operations.

FORECAST OF SELECTED PROGRAM MEASURES AFFECTING PERSONAL SERVICE AND FRINGE BENEFITS

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
State Workforce[1]	111,267	121,520	TBD	TBD	TBD
ERS Contribution Rate[2]	13.3%	15.8%	16.8%	18.5%	21.9%
PFRS Contribution Rate[2]	27.8%	31.2%	33.0%	34.3%	35.5%
Employee/Retiree Health Insurance Growth Rates[3]	8.7%	9.1%	10.9%	10.0%	10.0%
PS/Fringe as % of Receipts (All Funds Basis)	11.8%	11.3%	12.6%	13.6%	13.7%

1 Reflects workforce that is subject to direct Executive control.

2 ERS / PFRS contribution rate reflects the State's normal and administrative costs, contributions to the Group Life Insurance Plan (GLIP), Chapter 41 of 2016 veteran's pension credit legislation (if applicable) and any graded payments required under the Contribution Stabilization Program.

3 Reflects normal costs, excluding deposits to the Retiree Health Benefit Trust Fund and the impact of Health Insurance prepayments.

Agency operations spending levels are mainly impacted by workforce levels, employee compensation, and fluctuations in energy and commodity prices.

STATE OPERATING FUNDS - PERSONAL SERVICE/NON-PERSONAL SERVICE COSTS (millions of dollars)					
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
SUBJECT TO DIRECT EXECUTIVE CONTROL	**11,347**	**12,438**	**13,971**	**14,835**	**14,934**
Corrections and Community Supervision	2,679	2,805	2,732	2,733	2,787
Office of Mental Health	1,857	1,883	1,937	2,026	2,015
Office for People with Developmental Disabilities	1,653	1,670	1,756	1,829	1,798
Department of Health	1,000	766	903	892	888
State Police	853	965	987	1,006	1,025
Information Technology Services	651	720	704	719	720
Transportation	386	363	373	384	395
Tax and Finance	330	345	348	350	350
Children and Family Services	219	306	322	337	350
Environmental Conservation	253	293	292	289	292
Office of Parks, Recreation and Historic Preservation	229	246	251	252	252
Department of Financial Services	230	218	218	218	218
Education	163	203	198	200	202
Office of Temporary and Disability Assistance	206	132	132	132	132
Labor	55	62	62	62	62
All Other	583	1,461	2,756	3,406	3,448
UNIVERSITY SYSTEMS	**7,402**	**7,654**	**7,822**	**8,028**	**8,247**
State University	7,402	7,654	7,822	8,028	8,247
INDEPENDENT AGENCIES	**421**	**454**	**460**	**466**	**474**
Law	237	262	266	268	272
Audit & Control (OSC)	184	192	194	198	202
TOTAL, EXCLUDING JUDICIARY AND LEGISLATURE	**19,170**	**20,546**	**22,253**	**23,329**	**23,655**
Judiciary	**2,151**	**2,409**	**2,409**	**2,409**	**2,409**
Legislature	**257**	**293**	**293**	**293**	**293**
Statewide Total	**21,578**	**23,248**	**24,955**	**26,031**	**26,357**
Personal Service	15,749	16,978	17,103	17,881	18,282
Non-Personal Service	5,829	6,270	7,852	8,150	8,075

Operational spending for executive agencies is affected by the timing of Federal reimbursement of State incurred COVID-19 pandemic response and recovery efforts, contractual general salary increases, inflation and new investments. Excluding general salary increases and inflation, agency spending changes include:

- **Department of Corrections and Community Supervision (DOCCS).** The FY 2025 Enacted Budget allows the State to act expeditiously to right-size and eliminate excess capacity by allowing for the closure of up to five correctional facilities with 90 days' notice. This will allow for an increase in the operational efficiency of the correctional system. Resources are also provided for costs associated with the NYSCOPBA collective bargaining agreement.

- **OMH.** The FY 2025 Enacted Budget includes funding to open another 125 State-operated inpatient psychiatric beds, including 15 for children and adolescents, 85 for adults, and 25 forensic; 75 new Transition to Home Units (THU) that will provide housing and supports to individuals with mental illness experiencing homelessness; and a new electronic health records system.

- **DOH.** The growth in projected spending from FY 2024 reflects increased funding for costs associated with the public health emergency unwind call center, modernization of health reporting systems, funding for DOH to continue hiring to their Full-Time Equivalent (FTE) target, and additional support to counties for Emergency Medical Services.

- **State Police.** Funding is increased to support the deployment of a dedicated State Police team to build cases against organized retail theft rings and create a new State Police enforcement unit dedicated to this purpose.

- **ITS.** Spending growth reflects investments in the IT workforce and cybersecurity, including the JSOC created for the coordination of local, State and Federal cybersecurity efforts, such as data collection, response efforts and information sharing.

- **OCFS.** Spending in FY 2025 and beyond reflects Statewide costs associated with implementing and supporting Raise the Age reforms, such as comprehensive diversion, probation, and programming services for 16- and 17-year-old youth in the juvenile justice system. Costs will be shifted to other agencies where costs are incurred in a later Financial Plan update.

- **DEC.** The FY 2025 Enacted Budget includes funding for bond act staffing, the migration of the agency into the Statewide Financial System, and operating costs for the cap-and-invest and CLCPA programs.

- **Office of Parks, Recreation, and Historic Preservation.** Funding growth is largely driven by the expansion of operations related to the NYSWIMs program, increased staffing for park police academies, and other site and facility operations.

- **OTDA.** The spending decline from FY 2024 reflects the time-limited spending associated with the ERAP and LRAP, partially offset by the administration of a federally funded summer food benefit program for low-income students who had been unable to receive free school meals while schools had been closed.

- **All Other Executive Agencies**. Other spending changes include support for asylum seekers response efforts in the City of New York, including the deployment of National Guard service members to various hotels, homeless shelters, and emergency sites as well as the Port Authority to implement, administer, and effectuate the provision of services at each location. In addition, spending is impacted by the timing of Federal reimbursement of State incurred COVID-19 pandemic response and recovery expenses incurred from FY 2021 through FY 2024, including the purchase of COVID-19 test kits for schools and local governments, personal protective equipment (PPE), durable medical equipment, costs to build out field hospital facilities, testing, and vaccination activities which are expected to be reimbursed by FEMA. The Financial Plan realized roughly $960 million in reimbursements during FY 2024 and expects to receive an additional $500 million in reimbursements for FY 2025. However, there can be no assurance that FEMA will approve claims for the State to receive reimbursement in the amounts or State fiscal years as projected in the Financial Plan.

- **State University.** Spending growth reflects additional operating aid support at four-year campuses, partially offset by the reclassification of SUNY endowment funding from state operations to assistance and grants consistent with promulgated accounting guidance, resulting in no Financial Plan impact.

- **Judiciary.** Increases from FY 2024 include Judiciary staffing requests to fund judicial pay raises for State judges, general salary increases for non-judicial staff, twenty new judgeships, twenty-eight family court judges, five City of New York housing judges, as well as new support staff and other staffing initiatives aimed at returning to pre-COVID-19 pandemic fill levels including new court clerks and attorneys. The Judiciary also requested funding to hold four court officer academy classes; implement a paid parental leave program, provide funding for child and civil legal service providers; expand mental health court services, anti-bias and justice initiatives, and court facility cleaning and maintenance costs.

Workforce

In FY 2025, $17.0 billion of the State Operating Funds budget is dedicated to supporting FTE employees under direct Executive control; individuals employed by SUNY and Independent Agencies; employees paid on a nonannual salaried basis; and overtime pay. Roughly 60 percent of the Executive agency workforce is in the mental hygiene agencies and DOCCS.

STATE OPERATING FUNDS FY 2025 FTEs[1] AND PERSONAL SERVICE SPENDING BY AGENCY (millions of dollars)		
	Dollars	**FTEs**
SUBJECT TO DIRECT EXECUTIVE CONTROL	**9,600**	**98,797**
Corrections and Community Supervision	2,344	23,119
Office for People with Developmental Disabilities	1,421	18,730
Office of Mental Health	1,468	14,520
State Police	867	6,436
Information Technology Services	350	3,707
Department of Health	350	4,502
Tax and Finance	273	3,828
Environmental Conservation	245	2,430
Children and Family Services	216	2,328
Transportation	183	2,590
Office of Parks, Recreation and Historic Preservation	200	1,862
Department of Financial Services	163	1,391
Education	117	1,476
Workers' Compensation Board	92	1,086
Office of Temporary and Disability Assistance	70	1,017
All Other	1,241	9,775
UNIVERSITY SYSTEMS	**4,820**	**46,854**
State University	4,820	46,854
INDEPENDENT AGENCIES	**2,558**	**19,107**
Law	188	1,677
Audit & Control (OSC)	154	1,659
Judiciary	1,993	15,768
Legislature[2]	223	3
Statewide Total	**16,978**	**164,758**

[1] FTEs represent the number of annual-salaried full-time filled positions (e.g., one FTE may represent a single employee serving at 100 percent full-time, or a combination of employees serving at less than full-time that, when combined, equal a full-time position). The reported FTEs do not include nonannual salaried positions, such as those filled on an hourly, per-diem or seasonal basis.

[2] Legislative employees who are nonannual salaried are excluded from this table.

General State Charges

GSC spending includes employee-related expenses for fringe benefits the State provides to current and former employees, as well as certain statewide fixed costs. Fringe benefits include health insurance, pensions, workers' compensation coverage, unemployment insurance, survivors' benefits, and dental and vision benefits (some of which are provided through union-specific Employee Benefit Funds). The GSC budget also pays the Social Security payroll tax, taxes on State-owned lands, Payments in Lieu of Taxes (PILOT), and judgments awarded in the Court of Claims. Many of these payments are mandated by law or collective bargaining agreements. Employee fringe benefits are paid centrally through the General Fund. Some agencies with dedicated revenue sources outside of the General Fund partially reimburse the General Fund via the agency fringe benefit assessments process.

GSC spending over the Financial Plan period is primarily driven by the increased costs of health care services, with NYSHIP projections correlating with the growth rates in the hospital, medical and pharmaceutical industries. Similarly, the pension program reflects the prepayment of $1.6 billion of the FY 2025 non-Judiciary pension estimate at the end of fiscal year 2024, rather than when it comes due on March 1, 2025, generating approximately $99 million in interest savings. The growth in the outyears reflects projected costs associated with conservative pension fund investment returns resulting in higher employer contribution rates.

Programmatically, the State has and continues to fund employee and retiree health care expenses as they become due, on a PAYGO basis. To help limit the State's exposure to these post-employment liabilities, the State made its third deposit to the RHBTF for $250 million at the close of FY 2024, bringing the aggregate trust fund balance up to nearly $1.5 billion for the payment of health benefits of retired employees and their dependents. Similarly, the Financial Plan assumes $250 million in annual deposits if fiscal conditions permit. Under current law, the State may deposit into the RHBTF, in any given fiscal year, up to 1.5 percent of the total then-current unfunded actuarial accrued OPEB liability.

The estimate for Social Security reflects general salary increases pursuant to collective bargaining agreements and current spending trends. Growth for workers' compensation reflects current utilization and an increase in the average weekly wage. Other fringe benefits and fixed costs reflect wage and property tax increases and forecasted spending trends.

GENERAL STATE CHARGES
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
TOTAL STATE OPERATING FUNDS	**10,696**	**8,570**	**-19.9%**	**11,429**	**33.4%**	**12,791**	**11.9%**	**13,922**	**8.8%**
Fringe Benefits	**10,172**	**8,101**	**-20.4%**	**10,933**	**35.0%**	**12,285**	**12.4%**	**13,406**	**9.1%**
Health Insurance	4,856	5,493	13.1%	6,139	11.8%	6,872	11.9%	7,243	5.4%
Retiree Health Benefit Trust Fund	250	250	0.0%	250	0.0%	250	0.0%	250	0.0%
Pensions	3,734	734	-80.3%	2,829	285.4%	3,362	18.8%	4,025	19.7%
Social Security	1,191	1,229	3.2%	1,268	3.2%	1,308	3.2%	1,349	3.1%
Workers' Compensation	570	602	5.6%	653	8.5%	696	6.6%	740	6.3%
Employee Benefits	96	103	7.3%	111	7.8%	112	0.9%	114	1.8%
Dental Insurance	56	62	10.7%	68	9.7%	70	2.9%	72	2.9%
Unemployment Insurance	12	13	8.3%	13	0.0%	13	0.0%	13	0.0%
All Other/Non-State Escrow	(593)	(385)	35.1%	(398)	-3.4%	(398)	0.0%	(400)	-0.5%
Fixed Costs	**524**	**469**	**-10.5%**	**496**	**5.8%**	**506**	**2.0%**	**516**	**2.0%**
Public Land Taxes/PILOTS	308	318	3.2%	326	2.5%	335	2.8%	344	2.7%
Litigation	216	151	-30.1%	170	12.6%	171	0.6%	172	0.6%

Transfers to Other Funds (General Fund Basis)

General Fund resources are transferred to other funds to finance a range of other activities, including debt service for bonds that do not have dedicated revenues, SUNY operating costs, and certain capital projects.

GENERAL FUND TRANSFERS TO OTHER FUNDS (millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
TOTAL TRANSFERS TO OTHER FUNDS	**9,047**	**9,258**	**7,474**	**6,201**	**7,229**
Debt Service	239	286	299	327	333
SUNY University Operations	1,535	1,767	1,765	1,761	1,761
Capital Projects	5,798	5,116	3,789	2,492	3,657
Extraordinary Monetary Settlements:	**461**	**419**	**278**	**271**	**42**
Dedicated Infrastructure Investment Fund	351	345	216	220	40
Clean Water Grants	84	60	60	46	0
Mass Transit Capital	0	3	1	0	0
Health Care	26	11	1	5	2
Dedicated Highway and Bridge Trust Fund	798	118	124	153	441
Environmental Protection Fund	100	118	100	100	100
Other DIIF	0	300	118	0	0
All Other Capital	4,439	4,161	3,169	1,968	3,074
ALL OTHER TRANSFERS	**1,475**	**2,089**	**1,621**	**1,621**	**1,478**
Mobility Tax Trust Account	244	244	244	244	244
State University Hospital IFR Operations Account	324	302	302	302	302
NY Central Business District Trust	155	156	158	159	161
Court Facility Income Account	114	123	123	123	123
Dedicated Mass Transportation Trust Fund	66	65	65	65	65
Health Care Transformation	125	125	125	125	0
Healthcare Stability Fund	0	350	0	0	0
All Other	447	724	604	603	583

General Fund transfers to Other Funds are projected to total $9.3 billion in FY 2025, representing a net increase of $211 million from FY 2024, mainly due to lower capital transfers offset by increased State support for SUNY's operations and $350 million in one-time General Fund resources that will be transferred to the Healthcare Stability Fund to support $200 million in hospital investments, and $150 million in nursing homes, assisted living programs, and hospice.

Transfers to capital projects funds are impacted by the timing of bond proceed reimbursements to offset costs initially funded with monetary settlements; bond proceed reimbursements to the capital projects fund; and increased PAYGO capital spending across the Financial Plan period. PAYGO capital spending has increased to: avoid issuing debt for higher cost taxable bonds and bonds for capital expenditures with short economic useful lives; remain within the statutory debt cap; and allow for a larger DOT capital plan.

The DHBTF receives motor vehicle fees, PBT, the motor fuel tax, Highway Use Tax (HUT), the auto rental tax, utilities taxes, and miscellaneous transportation-related fees. These resources are used to pay debt service on transportation bonds, finance capital projects, and pay for certain operating expenses of the DOT and DMV. The General Fund, as needed, subsidizes DHBTF expenses that are not covered by revenue and bond proceeds. The prepayment of DHBTF Bonds results in an increase to debt service transfers from and a corresponding decrease in capital projects transfers to the DHBTF. There is no resulting Financial Plan impact.

Debt Service

The State pays debt service on all outstanding State-supported bonds. These include General Obligation Bonds for which the State is constitutionally obligated to pay debt service, as well as certain bonds issued by State public authorities, such as Empire State Development (ESD), Dormitory Authority of the State of New York (DASNY), and New York State Thruway Authority (NYSTA), for which debt service is subject to annual appropriation by the State Legislature. Depending on the credit structure, debt service is financed by transfers from the General Fund and dedicated taxes and fees.

DEBT SERVICE SPENDING PROJECTIONS (millions of dollars)									
	FY 2024 Actuals	FY 2025 Projected	Change	FY 2026 Projected	Change	FY 2027 Projected	Change	FY 2028 Projected	Change
General Fund	239	286	19.7%	299	4.5%	327	9.4%	333	1.8%
Other State Support	6,758	2,736	-59.5%	2,597	-5.1%	4,414	70.0%	5,327	20.7%
Total State Operating Funds	**6,997**	**3,022**	**-56.8%**	**2,896**	**-4.2%**	**4,741**	**63.7%**	**5,660**	**19.4%**

State Operating Funds debt service is projected to be $3 billion in FY 2025, of which $286 million is paid from the General Fund and $2.7 billion is paid from other State funds supported by dedicated tax receipts. The General Fund finances debt service payments on General Obligation and service contract bonds, including expected payments to the Gateway Development Commission (GDC) relating to the Hudson Tunnel Project. Debt service for other State-supported bonds is paid directly from other dedicated State funds, subject to appropriation, including PIT and Sales Tax Revenue bonds, and DHBTF bonds.

Debt service spending levels are impacted by prepayments. The FY 2025 Enacted Budget Financial Plan reflects prepayments that totaled $4.7 billion in FY 2024 and planned prepayments of $1.5 billion in FY 2025. As shown in the table below, the net impact of these prepayments and prior year prepayments increased debt service costs in FY 2024 and will decrease debt service costs in FY 2025 through FY 2029.

STATE DEBT SERVICE (millions of dollars)						
	FY 2024 Actuals	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Base Debt Service	**6,002**	**6,717**	**7,276**	**7,801**	**8,160**	**8,673**
Total Prepayment Adjustment	**995**	**(3,695)**	**(4,380)**	**(3,060)**	**(2,500)**	**(2,000)**
Prior Prepayments	(3,705)	(3,695)	(2,380)	(2,860)	(2,000)	0
FY 2024 Prepayment	4,700	(1,500)	(500)	(200)	(500)	(2,000)
FY 2025 Prepayment	0	1,500	(1,500)	0	0	0
Enacted Budget State Debt Service	**6,997**	**3,022**	**2,896**	**4,741**	**5,660**	**6,673**

The FY 2025 Enacted Budget authorizes liquidity financing in the form of up to $3 billion of PIT notes as a tool to manage unanticipated financial disruptions. The Financial Plan does not assume any PIT note issuances. DOB evaluates cash results regularly and may adjust the use of notes based on liquidity needs, market considerations, and other factors.

The Financial Plan estimates for debt service spending reflect bond sale results, including refundings, projections of future refunding savings, and the adjustment of debt issuances to align with projected bond-financed capital spending. Debt service projections were reduced to reflect the contribution of $10 billion of PAYGO capital resources that were added in the past three budgets, which includes new PAYGO spending of $1 billion that was added in the FY 2025 Enacted Budget.

FINANCIAL PLAN TABLES

Financial Plan Tables

The cash financial plan tables listed below appear on the following pages and summarize actual General Fund receipts and disbursements for fiscal year 2024 and projected receipts and disbursements for fiscal years 2025 through 2028 on a General Fund, State Operating Funds and All Governmental Funds basis.[13]

[13] Differences may occur from time to time between the State's Financial Plan and OSC's financial reports in the presentation and reporting of receipts and disbursements. For example, the Financial Plan may reflect a net expenditure amount while OSC may report the gross amount of the expenditure. Any such differences in reporting between DOB and OSC could result in differences in the presentation and reporting of receipts and disbursements for discrete funds, as well as differences in the presentation and reporting for total receipts and disbursements under different fund perspectives (e.g., State Operating Funds, All Governmental funds).

CASH FINANCIAL PLAN
GENERAL FUND
(millions of dollars)

	FY 2024 Actuals	FY 2025 Projected	Annual $ Change	Annual % Change
Opening Fund Balance	**43,451**	**46,331**	**2,880**	**6.6%**
Receipts:				
Taxes:				
Personal Income Tax	25,312	26,922	1,610	6.4%
Consumption/Use Taxes	9,872	10,091	219	2.2%
Business Taxes	17,425	18,038	613	3.5%
Other Taxes	1,876	1,397	(479)	-25.5%
Miscellaneous Receipts	4,878	4,460	(418)	-8.6%
Federal Receipts	2,250	3,645	1,395	62.0%
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	21,748	26,446	4,698	21.6%
PTET in Excess of Revenue Bond Debt Service	6,978	7,374	396	5.7%
ECEP in Excess of Revenue Bond Debt Service	0	8	8	100.0%
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0.0%
Sales Tax in Excess of Revenue Bond Debt Service	7,839	8,973	1,134	14.5%
Real Estate Taxes in Excess of CW/CA Debt Service	877	857	(20)	-2.3%
All Other	3,942	1,745	(2,197)	-55.7%
Total Receipts	**102,997**	**109,956**	**6,959**	**6.8%**
Disbursements:				
Assistance and Grants	69,119	77,404	8,285	12.0%
State Operations:				
Personal Service	9,997	11,136	1,139	11.4%
Non-Personal Service	2,303	2,664	361	15.7%
General State Charges	9,651	7,310	(2,341)	-24.3%
Transfers to Other Funds:				
Debt Service	239	286	47	19.7%
Capital Projects	5,798	5,116	(682)	-11.8%
SUNY Operations	1,535	1,767	232	15.1%
Other Purposes	1,475	2,089	614	41.6%
Total Disbursements	**100,117**	**107,772**	**7,655**	**7.6%**
Excess (Deficiency) of Receipts Over Disbursements	**2,880**	**2,184**	**(696)**	**-24.2%**
Closing Fund Balance	**46,331**	**48,515**	**2,184**	**4.7%**
Statutory Reserves				
Community Projects	25	25	0	
Contingency Reserve	21	21	0	
Rainy Day Reserve	4,638	6,138	1,500	
Tax Stabilization Reserve	1,618	1,618	0	
Reserved For				
Debt Management	2,436	1,860	(576)	
Economic Uncertainties	13,812	13,812	0	
Extraordinary Monetary Settlements	1,110	691	(419)	
Labor Settlements/Agency Operations	1,765	3,099	1,334	
Timing of PTET/PIT Credits	14,137	15,001	864	
Undesignated Fund Balance	6,769	6,250	(519)	

Source: NYS DOB.

CASH FINANCIAL PLAN GENERAL FUND (millions of dollars)	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected
Receipts:				
Taxes:				
Personal Income Tax	26,922	28,536	34,161	39,419
Consumption/Use Taxes	10,091	10,315	10,567	10,805
Business Taxes	18,038	16,667	9,999	9,889
Other Taxes	1,397	1,458	1,516	1,581
Miscellaneous Receipts	4,460	3,962	2,419	2,083
Federal Receipts	3,645	0	0	0
Transfers from Other Funds:				
PIT in Excess of Revenue Bond Debt Service	26,446	28,358	32,324	37,031
PTET in Excess of Revenue Bond Debt Service	7,374	6,226	(670)	0
ECEP in Excess of Revenue Bond Debt Service	8	8	0	0
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	8,973	8,965	9,064	8,861
Real Estate Taxes in Excess of CW/CA Debt Service	857	942	1,041	1,161
All Other	1,745	1,863	1,487	1,547
Total Receipts	**109,956**	**107,300**	**101,908**	**112,377**
Disbursements:				
Assistance and Grants	77,404	81,800	85,806	88,845
State Operations:				
Personal Service	11,136	11,197	11,846	12,108
Non-Personal Service	2,664	3,159	3,386	3,229
General State Charges	7,310	10,152	11,490	12,598
Transfers to Other Funds:				
Debt Service	286	299	327	333
Capital Projects	5,116	3,789	2,492	3,657
SUNY Operations	1,767	1,765	1,761	1,761
Other Purposes	2,089	1,621	1,621	1,478
Total Disbursements	**107,772**	**113,782**	**118,729**	**124,009**
Use (Reservation) of Fund Balance:				
Community Projects	0	0	0	0
Contingency Reserve	0	0	0	0
Debt Management	576	860	0	0
Economic Uncertainties	0	500	0	0
Extraordinary Monetary Settlements	419	278	368	45
Labor Settlements/Agency Operations	(1,334)	0	0	0
Rainy Day Reserve	(1,500)	0	0	0
Tax Stabilization Reserve	0	0	0	0
Timing of PTET/PIT Credits	(864)	2,504	12,197	300
Undesignated Fund Balance	519	0	(3)	4,037
Total Use (Reservation) of Fund Balance	**(2,184)**	**4,142**	**12,562**	**4,382**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**0**	**(2,340)**	**(4,259)**	**(7,250)**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2025 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Opening Fund Balance	**46,331**	**9,642**	**104**	**56,077**
Receipts:				
Taxes	56,448	6,550	46,303	109,301
Miscellaneous Receipts	4,460	18,130	387	22,977
Federal Receipts	3,645	(16)	62	3,691
Total Receipts	**64,553**	**24,664**	**46,752**	**135,969**
Disbursements:				
Assistance and Grants	77,404	19,798	0	97,202
State Operations:				
Personal Service	11,136	5,842	0	16,978
Non-Personal Service	2,664	3,567	39	6,270
General State Charges	7,310	1,260	0	8,570
Debt Service	0	0	3,022	3,022
Capital Projects	0	0	0	0
Total Disbursements	**98,514**	**30,467**	**3,061**	**132,042**
Other Financing Sources (Uses):				
Transfers from Other Funds	45,403	3,793	2,000	51,196
Transfers to Other Funds	(9,258)	952	(45,689)	(53,995)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**36,145**	**4,745**	**(43,689)**	**(2,799)**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**2,184**	**(1,058)**	**2**	**1,128**
Closing Fund Balance	**48,515**	**8,584**	**106**	**57,205**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2026
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	56,976	6,620	47,054	110,650
Miscellaneous Receipts	3,962	18,912	396	23,270
Federal Receipts	0	(17)	58	41
Total Receipts	**60,938**	**25,515**	**47,508**	**133,961**
Disbursements:				
Assistance and Grants	81,800	19,009	0	100,809
State Operations:				
Personal Service	11,197	5,906	0	17,103
Non-Personal Service	3,159	4,652	41	7,852
General State Charges	10,152	1,277	0	11,429
Debt Service	0	0	2,896	2,896
Capital Projects	0	0	0	0
Total Disbursements	**106,308**	**30,844**	**2,937**	**140,089**
Other Financing Sources (Uses):				
Transfers from Other Funds	46,362	3,338	1,966	51,666
Transfers to Other Funds	(7,474)	1,128	(46,534)	(52,880)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**38,888**	**4,466**	**(44,568)**	**(1,214)**
Use (Reservation) of Fund Balance:				
Debt Management	860	0	0	860
Economic Uncertainties	500	0	0	500
Extraordinary Monetary Settlements	278	0	0	278
Timing of PTET/PIT Credits	2,504	0	0	2,504
Total Use (Reservation) of Fund Balance	**4,142**	**0**	**0**	**4,142**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(2,340)**	**(863)**	**3**	**(3,200)**

Source: NYS DOB.

CASH FINANCIAL PLAN
STATE OPERATING FUNDS
FY 2027
(millions of dollars)

	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	56,243	6,800	46,109	109,152
Miscellaneous Receipts	2,419	18,200	420	21,039
Federal Receipts	0	(17)	53	36
Total Receipts	**58,662**	**24,983**	**46,582**	**130,227**
Disbursements:				
Assistance and Grants	85,806	17,973	0	103,779
State Operations:				
Personal Service	11,846	6,035	0	17,881
Non-Personal Service	3,386	4,723	41	8,150
General State Charges	11,490	1,301	0	12,791
Debt Service	0	0	4,741	4,741
Capital Projects	0	0	0	0
Total Disbursements	**112,528**	**30,032**	**4,782**	**147,342**
Other Financing Sources (Uses):				
Transfers from Other Funds	43,246	3,359	1,824	48,429
Transfers to Other Funds	(6,201)	1,134	(43,607)	(48,674)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**37,045**	**4,493**	**(41,783)**	**(245)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	368	0	0	368
Timing of PTET/PIT Credits	12,197	0	0	12,197
Undesignated Fund Balance	(3)	0	0	(3)
Total Use (Reservation) of Fund Balance	**12,562**	**0**	**0**	**12,562**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(4,259)**	**(556)**	**17**	**(4,798)**

Source: NYS DOB.

CASH FINANCIAL PLAN STATE OPERATING FUNDS FY 2028 (millions of dollars)	General Fund	State Special Revenue Funds	Debt Service Funds	State Operating Funds Total
Receipts:				
Taxes	61,694	6,630	52,325	120,649
Miscellaneous Receipts	2,083	18,418	436	20,937
Federal Receipts	0	(17)	45	28
Total Receipts	**63,777**	**25,031**	**52,806**	**141,614**
Disbursements:				
Assistance and Grants	88,845	17,868	0	106,713
State Operations:				
Personal Service	12,108	6,174	0	18,282
Non-Personal Service	3,229	4,805	41	8,075
General State Charges	12,598	1,324	0	13,922
Debt Service	0	0	5,660	5,660
Capital Projects	0	0	0	0
Total Disbursements	**116,780**	**30,171**	**5,701**	**152,652**
Other Financing Sources (Uses):				
Transfers from Other Funds	48,600	3,230	1,824	53,654
Transfers to Other Funds	(7,229)	1,389	(48,910)	(54,750)
Bond and Note Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	**41,371**	**4,619**	**(47,086)**	**(1,096)**
Use (Reservation) of Fund Balance:				
Extraordinary Monetary Settlements	45	0	0	45
Timing of PTET/PIT Credits	300	0	0	300
Undesignated Fund Balance	4,037	0	0	4,037
Total Use (Reservation) of Fund Balance	**4,382**	**0**	**0**	**4,382**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(7,250)**	**(521)**	**19**	**(7,752)**

Source: NYS DOB.

CASH RECEIPTS ALL GOVERNMENTAL FUNDS FY 2025 THROUGH FY 2028 (millions of dollars)	FY 2025	FY 2026	FY 2027	FY 2028
Taxes:				
Withholdings	57,486	60,432	63,487	65,848
Estimated Payments	11,707	12,453	21,349	24,520
Final Payments	3,781	3,971	4,167	4,362
Other Payments	1,915	1,969	2,023	2,079
Gross Collections	**74,889**	**78,825**	**91,026**	**96,809**
State/City Offset	(1,432)	(1,531)	(1,669)	(1,691)
Refunds	(16,462)	(17,128)	(17,995)	(13,386)
Reported Tax Collections	**56,995**	**60,166**	**71,362**	**81,732**
STAR (Dedicated Deposits)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Personal Income Tax	**56,995**	**60,166**	**71,362**	**81,732**
Sales and Use Tax	20,371	20,864	21,418	21,940
Cigarette and Tobacco Taxes	829	793	759	728
Vapor Excise Tax	24	24	24	24
Motor Fuel Tax	484	484	480	476
Alcoholic Beverage Taxes	276	278	279	280
Opioid Excise Tax	20	20	20	20
Medical Cannabis Excise Tax	5	4	4	4
Adult Use Cannabis Tax	158	245	339	363
Highway Use Tax	140	141	142	144
Auto Rental Tax	137	137	142	145
Peer to Peer Car Sharing Tax	2	2	2	2
Gross Consumption/Use Taxes	**22,446**	**22,992**	**23,609**	**24,126**
LGAC/STBF (Dedicated Transfers)	0	0	0	0
Consumption/Use Taxes	**22,446**	**22,992**	**23,609**	**24,126**
Corporation Franchise Tax	9,295	9,201	9,407	8,375
Corporation and Utilities Tax	603	591	596	592
Insurance Taxes	2,879	2,999	3,121	3,251
Bank Tax	212	0	0	0
Pass Through Entity Tax	14,748	12,452	(1,340)	0
Petroleum Business Tax	1,055	1,017	1,010	1,000
Gross Business Taxes	**28,792**	**26,260**	**12,794**	**13,218**
RBTF (Dedicated Transfers)	0	0	0	0
Business Taxes	**28,792**	**26,260**	**12,794**	**13,218**
Estate Tax	1,375	1,437	1,503	1,568
Real Estate Transfer Tax	1,147	1,230	1,331	1,448
Employer Compensation Expense Program	15	15	0	0
Gift Tax	0	0	0	0
Real Property Gains Tax	0	0	0	0
Pari-Mutuel Taxes	12	12	12	12
Other Taxes	2	1	1	1
Gross Other Taxes	**2,551**	**2,695**	**2,847**	**3,029**
Real Estate Transfer Tax (Dedicated)	0	0	0	0
RBTF (Dedicated Transfers)	0	0	0	0
Other Taxes	**2,551**	**2,695**	**2,847**	**3,029**
Payroll Tax	**0**	**0**	**0**	**0**
Total Taxes	**110,784**	**112,113**	**110,612**	**122,105**
Licenses, Fees, Etc.	630	631	629	629
Abandoned Property	550	450	450	450
Motor Vehicle Fees	1,210	1,259	1,268	1,282
ABC License Fee	60	60	60	60
Reimbursements	66	66	66	66
Investment Income	2,550	2,100	550	200
Extraordinary Settlements	0	0	0	0
Other Transactions	26,619	30,208	30,653	29,112
Miscellaneous Receipts	**31,685**	**34,774**	**33,676**	**31,799**
Federal Receipts	**94,202**	**88,463**	**89,150**	**90,018**
Total	**236,671**	**235,350**	**233,438**	**243,922**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2025 (millions of dollars)	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Opening Fund Balance	**46,331**	**20,794**	**(1,317)**	**104**	**65,912**
Receipts:					
Taxes	56,448	6,550	1,483	46,303	110,784
Miscellaneous Receipts	4,460	19,092	7,746	387	31,685
Federal Receipts	3,645	87,266	3,229	62	94,202
Total Receipts	**64,553**	**112,908**	**12,458**	**46,752**	**236,671**
Disbursements:					
Assistance and Grants	77,404	105,193	6,315	0	188,912
State Operations:					
Personal Service	11,136	6,554	0	0	17,690
Non-Personal Service	2,664	6,548	0	39	9,251
General State Charges	7,310	1,656	0	0	8,966
Debt Service	0	0	0	3,022	3,022
Capital Projects	0	0	11,327	0	11,327
Total Disbursements	**98,514**	**119,951**	**17,642**	**3,061**	**239,168**
Other Financing Sources (Uses):					
Transfers from Other Funds	45,403	3,793	5,519	2,000	56,715
Transfers to Other Funds	(9,258)	(1,446)	(574)	(45,689)	(56,967)
Bond and Note Proceeds	0	0	359	0	359
Net Other Financing Sources (Uses)	**36,145**	**2,347**	**5,304**	**(43,689)**	**107**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**2,184**	**(4,696)**	**120**	**2**	**(2,390)**
Closing Fund Balance	**48,515**	**16,098**	**(1,197)**	**106**	**63,522**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2026
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	56,976	6,620	1,463	47,054	112,113
Miscellaneous Receipts	3,962	19,225	11,191	396	34,774
Federal Receipts	0	84,720	3,685	58	88,463
Total Receipts	**60,938**	**110,565**	**16,339**	**47,508**	**235,350**
Disbursements:					
Assistance and Grants	81,800	98,806	7,850	0	188,456
State Operations:					
Personal Service	11,197	6,621	0	0	17,818
Non-Personal Service	3,159	6,414	0	41	9,614
General State Charges	10,152	1,674	0	0	11,826
Debt Service	0	0	0	2,896	2,896
Capital Projects	0	0	12,165	0	12,165
Total Disbursements	**106,308**	**113,515**	**20,015**	**2,937**	**242,775**
Other Financing Sources (Uses):					
Transfers from Other Funds	46,362	3,338	4,186	1,966	55,852
Transfers to Other Funds	(7,474)	(1,244)	(853)	(46,534)	(56,105)
Bond and Note Proceeds	0	0	377	0	377
Net Other Financing Sources (Uses)	**38,888**	**2,094**	**3,710**	**(44,568)**	**124**
Use (Reservation) of Fund Balance:					
Debt Management	860	0	0	0	860
Economic Uncertainties	500	0	0	0	500
Extraordinary Monetary Settlements	278	0	0	0	278
Timing of PTET/PIT Credits	2,504	0	0	0	2,504
Total Use (Reservation) of Fund Balance	**4,142**	**0**	**0**	**0**	**4,142**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(2,340)**	**(856)**	**34**	**3**	**(3,159)**

Source: NYS DOB.

CASH FINANCIAL PLAN
ALL GOVERNMENTAL FUNDS
FY 2027
(millions of dollars)

	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	56,243	6,800	1,460	46,109	110,612
Miscellaneous Receipts	2,419	18,506	12,331	420	33,676
Federal Receipts	0	85,596	3,501	53	89,150
Total Receipts	**58,662**	**110,902**	**17,292**	**46,582**	**233,438**
Disbursements:					
Assistance and Grants	85,806	98,803	8,315	0	192,924
State Operations:					
Personal Service	11,846	6,753	0	0	18,599
Non-Personal Service	3,386	6,524	0	41	9,951
General State Charges	11,490	1,699	0	0	13,189
Debt Service	0	0	0	4,741	4,741
Capital Projects	0	0	11,400	0	11,400
Total Disbursements	**112,528**	**113,779**	**19,715**	**4,782**	**250,804**
Other Financing Sources (Uses):					
Transfers from Other Funds	43,246	3,359	2,883	1,824	51,312
Transfers to Other Funds	(6,201)	(1,032)	(720)	(43,607)	(51,560)
Bond and Note Proceeds	0	0	262	0	262
Net Other Financing Sources (Uses)	**37,045**	**2,327**	**2,425**	**(41,783)**	**14**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	368	0	0	0	368
Timing of PTET/PIT Credits	12,197	0	0	0	12,197
Undesignated Fund Balance	(3)	0	0	0	(3)
Total Use (Reservation) of Fund Balance	**12,562**	**0**	**0**	**0**	**12,562**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(4,259)**	**(550)**	**2**	**17**	**(4,790)**

Source: NYS DOB.

CASH FINANCIAL PLAN ALL GOVERNMENTAL FUNDS FY 2028 (millions of dollars)					
	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	All Funds Total
Receipts:					
Taxes	61,694	6,630	1,456	52,325	122,105
Miscellaneous Receipts	2,083	18,723	10,557	436	31,799
Federal Receipts	0	86,454	3,519	45	90,018
Total Receipts	**63,777**	**111,807**	**15,532**	**52,806**	**243,922**
Disbursements:					
Assistance and Grants	88,845	99,595	6,981	0	195,421
State Operations:					
Personal Service	12,108	6,894	0	0	19,002
Non-Personal Service	3,229	6,582	0	41	9,852
General State Charges	12,598	1,725	0	0	14,323
Debt Service	0	0	0	5,660	5,660
Capital Projects	0	0	11,793	0	11,793
Total Disbursements	**116,780**	**114,796**	**18,774**	**5,701**	**256,051**
Other Financing Sources (Uses):					
Transfers from Other Funds	48,600	3,230	4,049	1,824	57,703
Transfers to Other Funds	(7,229)	(756)	(1,055)	(48,910)	(57,950)
Bond and Note Proceeds	0	0	270	0	270
Net Other Financing Sources (Uses)	**41,371**	**2,474**	**3,264**	**(47,086)**	**23**
Use (Reservation) of Fund Balance:					
Extraordinary Monetary Settlements	45	0	0	0	45
Timing of PTET/PIT Credits	300	0	0	0	300
Undesignated Fund Balance	4,037	0	0	0	4,037
Total Use (Reservation) of Fund Balance	**4,382**	**0**	**0**	**0**	**4,382**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balance Over Disbursements	**(7,250)**	**(515)**	**22**	**19**	**(7,724)**

Source: NYS DOB.

CASHFLOW
GENERAL FUND
FY 2025
(millions of dollars)

	2024 April Actuals	May Projected	June Projected	July Projected	August Projected	September Projected	October Projected	November Projected	December Projected	2025 January Projected	February Projected	March Projected	Total
OPENING BALANCE	46,331	49,055	45,080	47,526	46,078	44,900	49,200	44,450	41,473	45,518	47,366	45,238	46,331
RECEIPTS:													
Personal Income Tax	3,650	1,954	2,427	2,059	1,741	2,309	1,111	1,384	2,515	2,646	2,639	2,487	26,922
Consumption/Use Taxes	754	746	977	811	788	969	792	799	977	851	703	924	10,091
Business Taxes	1,224	49	3,213	132	116	3,535	(259)	64	4,134	410	68	5,352	18,038
Other Taxes	185	154	105	106	106	106	106	106	109	105	105	104	1,397
Total Taxes	5,813	2,903	6,722	3,108	2,751	6,919	1,750	2,353	7,735	4,012	3,515	8,867	56,448
Abandoned Property	0	0	0	0	10	100	30	130	0	30	10	240	550
ABC License Fee	5	5	5	5	5	5	5	5	5	5	5	5	60
Investment Income	238	217	210	209	210	209	209	210	209	209	210	210	2,550
Licenses, Fees, etc.	73	40	50	60	60	55	45	35	60	40	55	57	630
Motor Vehicle Fees	44	22	29	12	31	11	4	29	12	15	13	46	268
Reimbursements	75	50	(60)	40	(40)	(15)	(40)	12	30	(30)	20	24	66
Extraordinary Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Transactions	16	21	49	17	6	78	17	6	60	17	2	47	336
Total Miscellaneous Receipts	451	355	283	343	282	443	270	427	376	286	315	629	4,460
Federal Receipts	0	0	0	0	0	0	0	0	0	0	0	3,645	3,645
PIT in Excess of Revenue Bond Debt Service	3,650	1,953	2,427	1,949	1,437	2,309	1,111	1,384	2,520	4,103	1,042	2,561	26,446
PTET in Excess of Revenue Bond Debt Service	23	18	1,422	2	52	1,494	(460)	15	2,286	198	47	2,277	7,374
ECEP in Excess of Revenue Bond Debt Service	0	0	0	0	0	0	0	0	4	1	0	3	8
Sales Tax in Excess of LGAC Bond Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Tax in Excess of Revenue Bond Debt Service	620	650	879	703	690	873	688	702	882	738	625	923	8,973
Real Estate Taxes in Excess of CW/CA Debt Service	79	82	79	72	84	86	75	67	67	49	71	46	857
All Other	153	303	271	151	138	405	123	153	267	130	157	(506)	1,745
Total Transfers from Other Funds	4,525	3,006	5,078	2,877	2,401	5,167	1,537	2,321	6,026	5,219	1,942	5,304	45,403
TOTAL RECEIPTS	10,789	6,264	12,083	6,328	5,434	12,529	3,557	5,101	14,137	9,517	5,772	18,445	109,956
DISBURSEMENTS:													
School Aid	1,806	5,008	1,903	454	791	1,974	848	1,974	2,862	1,247	1,155	10,260	30,282
Higher Education	25	30	738	124	66	190	553	30	129	142	577	870	3,474
All Other Education	27	72	297	783	141	87	82	256	363	103	66	506	2,783
Medicaid - DOH	3,585	2,674	1,800	2,739	2,168	1,564	2,593	2,315	2,095	2,699	1,771	(1,956)	24,047
Public Health	15	82	121	98	134	72	75	80	83	(152)	71	141	820
Mental Hygiene	66	157	803	166	70	838	176	115	1,066	121	543	770	4,891
Children and Families	33	141	251	249	332	331	177	166	267	49	163	625	2,784
Temporary & Disability Assistance	33	223	478	164	159	409	159	159	409	159	159	1,319	3,830
Transportation	0	57	20	7	57	1	7	50	17	7	34	0	257
Unrestricted Aid	1	15	392	3	52	119	9	3	188	3	2	66	853
All Other	118	130	(550)	81	166	(52)	167	118	(57)	475	495	2,292	3,383
Total Assistance and Grants	5,709	8,589	6,253	4,868	4,136	5,533	4,846	5,266	7,422	4,853	5,036	14,893	77,404
Personal Service	838	1,002	856	1,021	820	841	1,019	842	1,031	887	886	1,093	11,136
Non-Personal Service	167	258	249	133	162	165	139	181	262	165	334	449	2,664
Total State Operations	1,005	1,260	1,105	1,154	982	1,006	1,158	1,023	1,293	1,052	1,220	1,542	13,800
General State Charges	670	630	569	613	479	552	604	528	579	615	776	695	7,310
Debt Service	24	0	0	30	(1)	(3)	6	0	0	257	(12)	(15)	286
Capital Projects	283	(524)	718	840	859	655	1,619	839	673	815	831	(2,492)	5,116
SUNY Operations	226	265	417	246	41	70	2	322	27	11	22	118	1,767
Other Purposes	148	19	575	25	116	416	72	100	98	66	27	427	2,089
Total Transfers to Other Funds	681	(240)	1,710	1,141	1,015	1,138	1,699	1,261	798	1,149	868	(1,962)	9,258
TOTAL DISBURSEMENTS	8,065	10,239	9,637	7,776	6,612	8,229	8,307	8,078	10,092	7,669	7,900	15,168	107,772
Excess/(Deficiency) of Receipts over Disbursements	2,724	(3,975)	2,446	(1,448)	(1,178)	4,300	(4,750)	(2,977)	4,045	1,848	(2,128)	3,277	2,184
CLOSING BALANCE	49,055	45,080	47,526	46,078	44,900	49,200	44,450	41,473	45,518	47,366	45,238	48,515	48,515

Source: NYS DOB.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

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APPENDIX B

APPENDIX B-I

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The following sections contain definitions of certain terms used in this general summary ("Summary") of certain provisions of the General Resolution. The definitions and Summary are not to be considered a full statement of all terms used in the General Resolution and, accordingly, are qualified by reference to and are subject to the full text of the General Resolution.

Definitions

Acts shall mean the Issuer Act and the Enabling Act.

Administrative Fund shall mean the Fund designated as the Administrative Fund established in the Resolution.

Authorized Officer shall mean (i) in the case of the Issuer, Chairman or any other officer of the Issuer, as defined in the bylaws of the Issuer, and when used with reference to any act or document, any other person authorized by resolution of the Issuer to perform such act or sign such document, (ii) in the case of the State, the Director of the Budget and when used with reference to any act or document, any other person authorized by law or by the Director of the Budget to perform such act or sign such document, (iii) in the case of the Trustee, the President, any Vice President, any Assistant Vice President, any Senior Trust Officer, any Trust Officer or any Assistant Trust Officer, or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge and familiarity with the particular subject matter, and (iv) any other officer or employee so designated on its behalf by resolution of the Issuer or the Trustee, respectively.

Bond Proceeds Fund shall mean the Fund designated as the Bond Proceeds Fund established in the Resolution.

Cost of Issuance Account shall mean the account within the Bond Proceeds Fund so designated, created and established pursuant to the Resolution.

Debt Service Fund shall mean the Fund designated as the Debt Service Fund established in the Resolution.

Financing Agreement shall mean the Economic Development and Housing Revenue Bonds Financing Agreement between the Issuer and the State, acting through the Director of the Budget.

Issuer shall mean the New York State Housing Finance Agency, the corporate governmental agency created by the Issuer Act, and its successors and permitted assigns.

Issuer Act shall mean the New York State Housing Finance Agency Act (being Article III of the Private Housing Finance Law, Chapter 44-B of the Consolidated Laws of the State, as amended and supplemented) as existing from time to time, together with any other provision of State law relating to the authorization or financing of Costs of a Project.

Rebate Fund shall mean the Fund designated as the Rebate Fund established in the Resolution.

Resolution shall mean the New York State Housing Finance Agency State Personal Income Tax Revenue Bonds (Economic Development and Housing) General Bond Resolution (including the Standard Resolution Provisions set forth in this Appendix B) as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions of the Resolution.

Revenue Fund shall mean the Fund designated as the Revenue Fund established in the Resolution.

Subordinated Payment Fund shall mean the Fund designated as the Subordinated Payment Fund established in the Resolution.

(Section 101)

Standard Resolution Provisions

Except as otherwise specifically provided in the Resolution or by Supplemental Resolution, the Standard Resolution Provisions appended to the Resolution as Annex A constitute an integral part of the Resolution and have the same force and effect as if set forth in the forepart of the Resolution.

(Section 102)

Authority for the Resolution

The Resolution is adopted pursuant to the provisions of the Acts.

(Section 103)

Resolution to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds, over any other thereof except as expressly provided in or permitted by the Resolution.

(Section 104)

Authorization of Bonds

The Resolution creates an issue of Bonds of the Issuer constituting State economic development and housing purpose bonds pursuant to the Acts and to be designated as "State Personal Income Tax Revenue Bonds (Economic Development and Housing)" and creates a continuing pledge and lien to secure the full and final payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, all the Bonds. The Bonds shall be special obligations of the Issuer secured by the pledge effected pursuant to the Resolution and are payable solely out of the Pledged Property, which is derived principally from amounts appropriated by the State Legislature as authorized pursuant to Section 92-z without recourse against any other assets, revenues or funds of or other payments due to the Issuer and by all Funds and accounts (other than the Rebate Fund) established by the Resolution, all in the manner more particularly provided in the Resolution. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as provided in the Resolution or as limited by law.

The Bonds shall not be debt of the State, and the State shall not be liable thereon, nor shall they be payable out of any funds other than those pledged therefor pursuant to the Resolution.

The Bonds may, if and when authorized by the Issuer pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "State Personal Income Tax Revenue Bonds (Economic Development and Housing)," shall include such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series, as the Issuer may determine; provided that with respect to any Bond denominated as a note, capital lease or other form of obligation, the Issuer may denominate such obligation as other than a "Bond". Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

Nothing contained in the Resolution shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Resolution of any Bonds of any two or more separate Series authorized pursuant thereto and to any such Supplemental Resolution to be issued pursuant to any of the provisions of the Resolution into a single Series of Bonds for purposes of sale and issuance; provided, however, that each of the tests, conditions and other requirements contained in the Resolution as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in the Resolution or in such Supplemental Resolution, such a consolidated Series shall be treated as a single Series of Bonds for all purposes of the Resolution.

(Section 201)

Redemption at Demand of the State

The State may, upon furnishing sufficient funds, require the Issuer to redeem, prior to maturity, as a whole, any Series of Bonds on any interest payment date not less than twenty (20) years after the initial date of the Bonds of such Series at one hundred five per centum (105%) of their face value (or in the case of Capital Appreciation Bonds, the Appreciated Value) and interest accrued and unpaid to the redemption date or at such lower Redemption Price as may be provided by the Issuer in the Supplemental Resolution in the case of the redemption thereof as a whole on the redemption date and the Issuer shall deposit such amounts received from the State and redeem such Series pursuant to the Resolution.

(Section 401)

The Pledge Effected by the Resolution

The Bonds are special obligations of the Issuer payable solely from the sources set forth in the Resolution.

(Section 501)

Establishment of Funds

The Resolution establishes the following Funds, which shall be held and administered by the Trustee. Each of such Funds and accounts shall have as a prefix "New York State Housing Finance Agency State Personal Income Tax Revenue Bonds (Economic Development and Housing)":

1. Revenue Fund,

2. Debt Service Fund,

3. Rebate Fund,

4. Bond Proceeds Fund,

5. Administrative Fund,

6. Subordinated Payment Fund.

Additional Funds, or accounts and subaccounts within each of the foregoing Funds may from time to time be established in accordance with a Supplemental Resolution, Certificate of Determination or upon the direction of the Issuer evidenced by a certificate of an Authorized Officer of the Issuer. All moneys at any time deposited in any Fund and account created by the Resolution (other than the Rebate Fund), including in any fund or account established to effect an economic defeasance of any Bonds under the Resolution, shall be held in trust separate and apart from all other funds by the Issuer or Trustee, as appropriate, for the benefit of the Holders of each Series of Bonds.

(Section 502)

Revenue Fund

There shall be deposited promptly upon receipt by the Trustee to the credit of the Revenue Fund all Revenues.

Financing Agreement Payments together with any other Pledged Property deposited in the Revenue Fund, shall be applied to the Funds and accounts established under the Resolution consistent with the requirements set forth in the Financing Agreement; provided, however, that if the amount of any such payment, together with other Pledged Property deposited in the Revenue Fund, is less than the amount certified, the payment shall be applied in the amounts certified, first, to the Debt Service Fund, second, to the Rebate Fund, third, to the Subordinated Payment Fund and, fourth, to the Administrative Fund; provided, however, that so long as the total amount held in the Debt Service Fund shall be sufficient to fully pay all Outstanding Bonds and Parity Reimbursement Obligations (including Principal or applicable Redemption Price of and interest on such Bonds) in accordance with their terms, no deposits shall be required to be made into the Debt Service Fund.

(Section 503)

Debt Service Fund

In addition to the moneys allocated from the Revenue Fund pursuant to the Resolution, the Trustee shall deposit into the Debt Service Fund such portion of the proceeds of the sale of Bonds of any Series, if any, as shall be prescribed in the Supplemental Resolution or related Certificate of Determination.

The Trustee shall on or before each Interest Payment Date, Redemption Date or other payment date, as the case may be, withdraw and pay from the Debt Service Fund:

i) The interest due on all Outstanding Bonds on such Interest Payment Date;

ii) The Principal Installments due on all Outstanding Bonds on such Interest Payment Date;

iii) The Sinking Fund Installments, if any, due on all Outstanding Bonds on such Interest Payment Date;

iv) The Redemption Price due on all Outstanding Bonds on any Redemption Date in accordance with the Resolution; and

v) Amounts due with respect to Parity Reimbursement Obligations.

The amounts paid to any Paying Agent pursuant to the Resolution remain irrevocably pledged until, and shall be, applied to such payments.

In the event of the refunding of any Bonds, the Trustee shall, upon the direction of the Issuer, withdraw from the Debt Service Fund all or any portion of the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with itself as Trustee or any other fiduciary selected by the Issuer to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) upon such refunding, the Bonds being refunded shall be deemed to have been paid within the meaning and with the effect provided in the Resolution, and (ii) the amount remaining in the Debt Service Fund shall be not less than the amount needed to pay the Debt Service on all Outstanding Bonds accrued through such date.

Investment income on amounts in the Debt Service Fund shall be retained in such Fund or, upon direction of an Authorized Officer of the Issuer, shall be transferred to the Rebate Fund or, with the concurrence of the Director of the Budget, to the Bond Proceeds Fund.

(Section 504)

Rebate Fund

The Trustee shall deposit to the Rebate Fund any moneys delivered to it by the State for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Rebate Fund in accordance with the directions of an Authorized Officer of the Issuer, moneys on deposit in any other Funds held by the Trustee under the Resolution at such times and in such amounts as shall be set forth in such directions. Moneys on deposit in the Rebate Fund shall be applied by the Trustee, in accordance with the direction of the Issuer, to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Issuer shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate, if any, delivered in connection with each Series of Bonds. Moneys which the Issuer determines to be in excess of the amount required to be so rebated shall be deposited to the Revenue Fund.

If and to the extent required by the Code or an Arbitrage and Use of Proceeds Certificate, the Issuer shall periodically, at such times as may be required to comply with the Code, determine the Rebate Amount with respect to each Series of Bonds and direct the transfer from any other Fund or account held under the Resolution and deposit to the Rebate Fund all or a portion of the Rebate Amount with respect to such Series of Bonds and pay or cause to be paid out of the Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

(Section 505)

Bond Proceeds Fund

The Issuer or the Trustee at the direction of the Issuer shall deposit or cause to be deposited into the Bond Proceeds Fund the proceeds of sale of each Series of Bonds, unless otherwise required to be deposited into and held in the Debt Service Fund, to enable the Issuer to comply with the conditions precedent to the issuance of any Bonds.

Except as may be otherwise determined by the purposes for which a Series is issued as set forth in the Supplemental Resolution or related Certificate of Determination, amounts in the Bond Proceeds Fund shall be applied by the Issuer from time to time for any of the purposes set forth in paragraphs (a) and (b) of subdivision one of Section 68-b through the payment of Costs of a Project consistent with terms of any Requisition.

Whenever the Issuer shall determine and the Director of the Budget shall agree that the amount on deposit to the credit of the Bond Proceeds Fund is in excess of its requirements for the purposes for which amounts in such Fund may be used as permitted by law, such excess amount shall be withdrawn therefrom by the Trustee and deposited into the Revenue Fund. Notwithstanding the foregoing, amounts in the Bond Proceeds Fund may be applied to the payment of Principal Installments and interest on the applicable Series of Bonds and of Parity Reimbursement Obligations when due, and to the extent that other moneys are not available therefor, amounts in the Bond Proceeds Fund may be applied to the payment of Principal Installments and interest on the Bonds and of Parity Reimbursement Obligations when due.

Investment income on amounts in the Bond Proceeds Fund from proceeds of a Series of Bonds shall be transferred by the Trustee to the Revenue Fund, or, upon the direction of an Authorized Officer of the Issuer, shall be transferred to the Rebate Fund, or with the concurrence of the Director of the Budget, shall be retained in the Bond Proceeds Fund or transferred to the Debt Service Fund.

(Section 506)

Application of Moneys in the Debt Service Fund for Redemption of Bonds and Satisfaction of Sinking Fund Installments

Moneys delivered to the Trustee, which by the provisions of the Resolution are to be applied for redemption of Bonds, shall upon receipt by the Trustee be deposited to the credit of the Debt Service Fund for such purpose to the extent not otherwise provided pursuant to a Supplemental Resolution.

Moneys in the Debt Service Fund to be used for redemption of Bonds of a Series may be applied by the Issuer to the purchase of Outstanding Bonds of such Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued interest to such date, at such times, at such purchase prices and in such manner as the Issuer shall direct.

In satisfaction, in whole or in part, of any Sinking Fund Installment, the Issuer may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Bonds acquired by purchase or redemption, except Bonds acquired by purchase or redemption pursuant to the provisions of the preceding paragraph, of the maturity and interest rate entitled to such Sinking Fund

Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Bonds. Concurrently with such delivery of such Bonds the Issuer shall deliver to the Trustee a certificate of an Authorized Officer of the Issuer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered, (iii) the aggregate principal amount of the Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Bonds.

The Trustee shall, in the manner provided in the Resolution, call for redemption, on the date of each Sinking Fund Installment falling due prior to maturity, such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

Notwithstanding the provisions of the second paragraph of this section, if the amount in the Debt Service Fund at any time (other than moneys required to pay the Redemption Price of any Outstanding Bonds of a Series theretofore called for redemption or to pay the purchase price of such Outstanding Bonds theretofore contracted to be purchased, including in both cases accrued interest on such Bonds to the Redemption Date or purchase date) is sufficient to make provision pursuant to the Standard Resolution Provisions for the payment of such Outstanding Bonds at the maturity or Redemption Date thereof, the Issuer may request the Trustee to take such action consistent with the Standard Resolution Provisions as is required thereby to deem such Bonds to have been paid within the meaning of the Standard Resolution Provisions. The Trustee, upon receipt of such request and irrevocable instructions of the Issuer to purchase Government Obligations sufficient to make any deposit required thereby, shall comply with such request.

(Section 507)

Administrative Fund

Amounts in the Administrative Fund shall be paid out from time to time by the Trustee at the request of the Issuer for reasonable and necessary Issuer Expenses, free and clear of the lien and pledge created by the Resolution.

Amounts in the Administrative Fund accumulated as a reserve for Issuer Expenses the payment of which is not immediately required may in the discretion of the Issuer be invested in Investment Obligations. The Issuer may by written instruction to the Trustee sell any such investments at any time and the proceeds of such sale and of all payments at maturity or upon redemption of such investments shall be held in the Administrative Fund. Whenever the Administrative Fund exceeds the amount reasonable and necessary for Issuer Expenses including reserves and working capital, the Issuer shall direct the Trustee to apply the excess to the purposes and in the Funds established under the Resolution in the same manner as payments from the Revenue Fund.

Investment income on amounts in the Administrative Fund shall be deposited into the Revenue Fund.

(Section 508)

Subordinated Payment Fund

The Issuer may, at any time, or from time to time, issue Subordinated Indebtedness payable out of, and which may be secured by a pledge of and lien on, such amounts as may from time to time be available for transfer to the Subordinated Payment Fund pursuant to the Resolution; provided, however, that (a) such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Resolution as security for the Bonds and Parity Reimbursement Obligations and (b) to the extent provided by Supplemental Resolution, any amounts so transferred shall thereafter be free and clear of any lien, pledge or claim of the Resolution. The Issuer may establish such priorities of payment and security among Subordinated Indebtedness as it deems appropriate; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Subordinated Indebtedness shall not permit the holders of such Subordinated Indebtedness to declare the same, nor to instruct such holders' trustee to declare the same, to be immediately due and payable any time that any Bonds and Parity Reimbursement Obligations remain Outstanding.

Subject to the other provisions of the Resolution, the Trustee shall deposit into the Subordinated Payment Fund all moneys paid to the Issuer under the Acts or otherwise for (i) payments on any Subordinated Indebtedness, or (ii) Qualified Swap Payments or payments on other financial instruments entered into by the Issuer.

The Trustee shall pay out of the Subordinated Payment Fund all amounts required for the payments described in this section pursuant to any resolution adopted by, or otherwise at the written direction of, the Issuer.

Except as otherwise provided in the Resolution or a Supplemental Resolution, investment income on amounts in the Subordinated Payment Fund shall be transferred to the Revenue Fund, or, upon the direction of an Authorized Officer of the Issuer, shall be transferred to the Rebate Fund, or with the concurrence of the Director of the Budget, shall be retained in the Subordinated Payment Fund or transferred to the Debt Service Fund.

(Section 509)

Transfer of Investments

Whenever moneys in any Fund or account established under the Resolution or under any Supplemental Resolution are to be paid in accordance with the Resolution to another such Fund or account, such payment may be made, in whole or in part, by transferring to such other Fund or account investments held as part of the Fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made, provided that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such Fund or account.

(Section 510)

Power to Issue Bonds and Effect Pledge

The Issuer is duly authorized under all applicable laws to create and issue the Bonds, adopt the Resolution and pledge the Pledged Property in the manner and to the extent provided in the Resolution. The Pledged Property is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be the legally valid and binding special obligations of the Issuer enforceable in accordance with their terms and the terms of the Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property and all the rights of the Holders of Bonds and other obligations under the Resolution against all claims and demands of all Persons whomsoever.

(Section 601)

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APPENDIX B-II

SUMMARY OF CERTAIN PROVISIONS OF THE STANDARD RESOLUTION PROVISIONS

The following sections contain definitions of certain terms used in this general summary ("Summary") of certain provisions of the Standard Resolution Provisions, which are appended to the General Resolution. The definitions and Summary are not to be considered a full statement of all terms used in the Standard Resolution Provisions or the Series Resolutions to which the Standard Resolution Provisions are appended and, accordingly, are qualified by reference to and are subject to the full text of the Standard Resolution Provisions and the Series Resolutions.

Definitions

Capitalized terms used but not otherwise defined in this Summary shall have the meanings set forth in the General Resolution to which the Standard Resolution Provisions are appended. The following terms shall, for all purposes therein and (except as the context may otherwise require) in the General Resolution to which these Standard Resolution Provisions are appended, have the following meanings:

Accreted Value shall mean, with respect to any Capital Appreciation Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

Additional Bonds shall mean Bonds authenticated and delivered on original issuance pursuant to the Standard Resolution Provisions.

Amortized Value when used with respect to Investment Obligations purchased at a premium above or a discount below par, shall mean the value of such Investment Obligations computed by using an industry standard constant yield method selected by an Authorized Officer of the Issuer.

Appreciated Value shall mean with respect to any Deferred Income Bonds (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Deferred Income Bonds, (ii) as of any date prior to the Interest Commencement Date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a 360-day year of 12 30-day months, unless otherwise provided pursuant to a Supplemental Resolution.

Arbitrage and Use of Proceeds Certificate shall mean, with respect to any Series of Bonds, the interest on which is intended by the Issuer to be excluded from gross income for federal income tax purposes, a certificate or certificates executed by an Authorized Officer of the Issuer in connection with the initial issuance and delivery of the Bonds of such Series and containing representations, warranties and covenants of the Issuer relating to the federal tax status of such Series of Bonds, as such certificate or certificates may be amended and supplemented from time to time.

Authorized Issuer shall mean any public authority or public benefit corporation enumerated by subdivision 1 of Section 68-a.

Authorized Newspaper shall mean The Bond Buyer or any other newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, designated by the Issuer.

Authorized Purpose shall mean a purpose as provided by the Enabling Act for the Issuer.

Bank shall mean any (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

Bond or Bonds shall mean any of the bonds or notes of the Issuer authorized and issued pursuant to the Resolution and to a Supplemental Resolution; provided, however, that such terms shall not include any Bond Anticipation Notes, or bonds, notes or other obligations, including Qualified Swaps, payable from the Subordinated Payment Fund.

Bond Anticipation Notes shall mean notes issued pursuant to the Standard Resolution Provisions.

Bond Counsel shall mean an attorney or law firm, appointed by the Issuer, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bondholder, Holder or Holder of Bonds, or any similar term, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds.

Business Day shall mean a day of the year which is not a Saturday, Sunday, or a day on which the Trustee or banking institutions chartered by the State or the United States of America are required or authorized by law to close in The City of New York, or any day on which the New York Stock Exchange is closed.

Calculated Debt Service shall mean for any period, as of any date of calculation and with respect to any Series of Bonds or any Parity Reimbursement Obligations, the sum of Debt Service for such period determined by the Issuer based on the following adjustments:

Interest on Variable Interest Rate Bonds shall be based on the Estimated Average Interest Rate applicable thereto.

With respect to Put Bonds and any Bonds of a Series the interest on which is payable periodically and at least twenty-five per centum (25%) of the original principal amount of which is stated to mature at one time and for which maturing principal amount amortization requirements have not been designated, (i) Principal Installments shall be deemed to amortize over a 30-year period from their date of issuance (or any shorter period provided by Supplemental Resolution) based on substantially level debt service as estimated by the Issuer, and (ii) interest shall be based on the actual interest rate or the Estimated Average Interest Rate, as applicable.

If the Issuer has irrevocably deposited Investment Obligations or money with the Trustee (or otherwise in trust) for the payment of any portion of Debt Service, the expected future cash flow from such Investment Obligations and money shall be deducted from Debt Service.

If the Issuer has, at any time, irrevocably called for redemption of one or more Series of Bonds, including pursuant to a covenant to apply any portion of the Pledged Property to redeem Bonds or Parity Reimbursement Obligations (which particular Bonds or Parity Reimbursement Obligations need not be specifically identified in advance, except as to interest rate and maturity), the Issuer shall take into account such redemption for purposes of determining Calculated Debt Service.

With respect to Parity Reimbursement Obligations, an interest rate calculated at a higher interest rate on the related Bonds shall only be taken into account if, at the time of calculation, such higher rates are then payable thereon.

Capital Appreciation Bonds shall mean Bonds of a Series denominated as such and issued as to which interest is payable only at the maturity or prior redemption of such Bonds. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) computing the principal amount of Obligations held by the registered owner of a Capital Appreciation Bond in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value (which in the case of clause (ii) may be the Accreted Value as of the immediately preceding Valuation Date).

Certificate of Determination shall mean a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Bonds, Parity Reimbursement Obligations, Credit Facilities, Subordinated Indebtedness, or other matters in accordance with the delegation of power to do so under the Resolution or a Supplemental Resolution.

Code shall mean the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the Regulations, including temporary and proposed Regulations, relating to such section which are applicable to the Resolution, including the Bonds or the use of Bond proceeds.

Comptroller shall mean the Comptroller of the State and, to the extent permitted by law in connection with the exercise of any specific right or duty, any other official of the State authorized to act on behalf of the Comptroller in connection therewith.

Cost or Costs of a Project shall mean costs and expenses or the refinancing of costs and expenses incurred or to be incurred in connection with a Project, including, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses for labor and materials and payments to consultants, contractors, builders and materialmen, for the acquisition, design, construction, reconstruction, rehabilitation, preservation, development, improvement or modernization of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising the construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs necessarily and appropriately incurred in connection with the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the State or the Issuer for advances made by either party for any of the above items or for other costs incurred and for work done by the State or Issuer in connection with the Project, and (viii) grants or loans by or on behalf of the State for any of the foregoing.

Cost or Costs of Issuance shall mean the items of expense incurred in connection with the authorization, sale and issuance of a Series of Bonds or Bond Anticipation Notes, which items of expense shall include Issuer Expenses, State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Securities Depository, legal fees and charges, professional consultants' fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for Credit Facilities, Qualified Swaps and other similar financial arrangements, costs and expenses of refunding of Bonds or Prior Obligations and other costs, charges and fees, including those of the Issuer, in connection with the foregoing.

Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the practice of law relating to municipal, state and public agency financing selected by the Issuer.

Credit Facility shall mean any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Issuer and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Outstanding Bonds or Parity Reimbursement Obligations.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series of Bonds or any Parity Reimbursement Obligation Outstanding, the sum of: (i) interest on the Bonds of such Series and the interest components of Parity Reimbursement Obligations accruing during such period and (ii) that portion of each Principal Installment for such Bonds and Parity Reimbursement Obligations that would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the preceding Principal Installment payment date on Outstanding Bonds and Parity Reimbursement Obligations; provided, however, that, unless otherwise set forth in a Supplemental Resolution, no Principal Installment shall be deemed to begin accruing until the later of one year prior to such Principal Installment's due date and the date of issuance or incurrence of the related Bond or Parity Reimbursement Obligation.

Defeased Municipal Obligations shall mean pre-refunded municipal obligations rated in the highest Rating Category by each Rating Agency and meeting the following requirements:

The municipal obligations (i) are not subject to redemption prior to maturity or (ii) the trustee or the paying agent has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions; and

The municipal obligations are fully secured by cash or Government Obligations which may be applied only to payment of the principal of and interest and premium, if any, on such municipal obligations.

Deferred Income Bond shall mean any Bond (1) as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is (i) compounded on each Valuation Date for such Deferred Income Bond and (ii) payable only at the maturity or prior redemption of such Bonds and (2) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date succeeding the Interest Commencement Date and periodically thereafter on the dates specified in or determined by Supplemental Resolution. Except as otherwise provided by Supplemental Resolution, for the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Issuer or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever or (iii) computing Debt Service, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value (which in the case of clause (ii) may be the Appreciated Value as of the immediately preceding Valuation Date).

Director of the Budget shall mean the Director of the Division of the Budget of the State and, to the extent permitted by law in connection with the exercise of any specific right or duty, any official of the State authorized to act on behalf of the Director of the Budget in connection therewith.

Enabling Act shall mean Article 5-C of the State Finance Law, Chapter 56 of the Consolidated Laws of the State of New York, as may be hereafter amended from time to time.

Estimated Average Interest Rate shall mean, as to any Variable Interest Rate Bonds or Qualified Swap and as of any date of calculation, the average interest rate or rates anticipated to be borne by such Bonds or Qualified Swap, or by the combination of such arrangements, over the period or periods for which such rate or rates are anticipated to be in effect, all as estimated by an Authorized Officer of the Issuer in consultation with the Director of the Budget.

Event of Default shall mean any Event of Default set forth in the Standard Resolution Provisions.

Fiduciary shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

Fiduciary Capital Funds when used with respect to any Fiduciary shall mean the total of (i) paid in capital, (ii) surplus, (iii) undivided profits and (iv) the par value of outstanding capital notes issued and subordinated to the claims of creditors of such Fiduciary other than the holders of such capital notes.

Financing Agreement shall mean the applicable financing agreement authorized by subdivision 1 of Section 68-c, as amended and supplemented in accordance with the terms thereof and the Standard Resolution Provisions and referred to in the Standard Resolution Provisions.

Financing Agreement Payment shall refer to any payment obligation of the State incurred pursuant to a Financing Agreement and denominated therein as a "Financing Agreement Payment," to pay to the Issuer or the Trustee from amounts available therefor in the Revenue Bond Tax Fund.

Fund shall mean any one of the funds created and established pursuant to the Resolution.

Government Obligations shall mean (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America and entitled to the full faith and credit thereof; (b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock, surplus and undivided profits of at least $50,000,000 or the custodian is appointed by or on behalf of the United States of America; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom; (c) an obligation of any federal agency approved by the Issuer; (d) a share or interest in a mutual fund, partnership or other fund wholly comprised of obligations described in clauses (a), (b) and (c) above; (e) Defeased Municipal Obligations; or (f) any other Investment Obligation designated in a Supplemental Resolution as a Government Obligation for purposes of defeasing Bonds, which is not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term Rating Category by each Rating Agency.

Interest Commencement Date shall mean, with respect to any particular Deferred Income Bond, the date determined by Supplemental Resolution after which interest accruing on such Bond shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Resolution.

Interest Payment Date shall mean, with respect to a Series of Bonds, each date on which interest, if any, is payable pursuant to the Supplemental Resolution authorizing such Bonds.

Investment Obligations shall mean any of the following that are lawful investments at the time of the investment:

(a) Government Obligations,

(b) certificates of deposit issued by, and time deposits in, and bankers' acceptances of, any bank (including any Paying Agent or Trustee), any branch of any bank, national banking association or federally chartered savings and loan association; provided that, with respect to any of the foregoing institutions, whose long-term unsecured indebtedness is rated less than "A" by each Rating Agency, such certificates of deposit or time deposits or bankers' acceptances are (i) insured by the Federal Deposit Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by direct obligations of the United States of America having a market value of not less than the face amount of such certificates and deposits,

(c) evidences of ownership of a proportionate interest in specified direct obligations of the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, or when "stripped" by the United States Treasury, then by the custodian designated by the United States Treasury,

(d) obligations of state or local government municipal bond issuers which are rated in one of the two highest Rating Categories by each Rating Agency,

(e) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by an insurance policy or guaranteed by a letter of credit and which are rated in one of the two highest Rating Categories by each Rating Agency,

(f) interests in a money market mutual fund registered under the Investment Company Act of 1940, 15 U.S.C. §§80-1, et seq., as from time to time amended, the portfolio of which is limited to obligations described in clause (a), (d), or (e) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least $100,000,000 and is rated in the highest Rating Category by each Rating Agency,

(g) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,

(h) any repurchase agreement for Government Obligations by the Issuer or any Trustee that is with a bank, trust company (including any Trustee) or securities dealer which is a member of the Securities Investors Protection Corporation, each of which is a primary reporting dealer in government securities as determined by the Federal Reserve Bank, or if "primary reporting dealers" cease to be determined by the Federal Reserve Bank, such other comparable standard as the Issuer shall implement pursuant to a Supplemental Resolution; provided, however, that the Government Obligations must be transferred to the Issuer or any Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer or registrar of such obligations or clearing agent or depository, and the collateral security must continually have a market value at least equal to the amount so invested and the collateral must be free of third party claims. Any investment in a repurchase agreement shall be considered to mature on the date the bank, trust company or recognized securities dealer providing the repurchase agreement is obligated to repurchase the Government Obligations,

(i) commercial paper rated in the highest Rating Category by each Rating Agency,

(j) investment agreements, secured or unsecured, with any institutions whose debt securities are rated in one of the two highest Rating Categories (or rated in the highest Rating Category for short-term obligations if the investment is for a period not exceeding one year) by each Rating Agency,

(k) forward purchase agreements effecting the periodic delivery of securities listed in (a), (c), (d), (e), (g) and (i) above, and

(l) any other obligations from time to time permitted pursuant to the Issuer Act or other applicable law; provided, however, that if the funds invested in any such obligation are pledged for the payment of Bonds under the Resolution and the Bonds are then rated by a Rating Agency, such obligation shall be rated in one of the two highest Rating Categories of each such Rating Agency.

Any investment in any of the foregoing obligations may be made in the form of an entry made on the records of the issuer of the particular obligations or of a recognized Securities Depository.

Issuer Board shall mean the board or members of the Issuer duly appointed and acting pursuant to the Issuer Act, or their designees duly appointed and acting.

Issuer Expenses shall mean all proper items of cost or expenditure incurred or anticipated to be incurred by the Issuer in connection with the financing of any Project pursuant thereto, or direct and indirect administrative costs, fees and expenses and allocable portions of direct and indirect costs of the Issuer incurred in connection with financing such Project, including Costs of Issuance, initial fees and periodic fees to be paid in connection with Credit Facilities, legal fees, fees and expenses of trustees, remarketing agents, market agents, tender agents, auction agents, Depositories and Paying Agents, and financing charges and fees and expenses of financial advisors and consultants, costs of audits, and such other expenses not specified therein as may be necessary or incident to the financing of such Project, including through the issuance of Bonds or Bond Anticipation Notes and all other expenses of the Issuer relating to the financing of Projects set forth in the Enabling Act; provided, however, that Issuer Expenses shall not include any termination or other payments to be made in connection with Qualified Swaps or other similar arrangements or, except to the extent expressly provided above, Credit Facilities.

Outstanding, when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated or otherwise validly executed and delivered under the Resolution except:

1. Any Bond canceled or delivered for cancellation at or prior to such date;

2. Any Bond (or portion of a Bond) deemed to have been paid in accordance with the Standard Resolution Provisions unless a Supplemental Resolution provides that Bonds of a Series having the benefit of a Credit Facility shall not thereby be deemed paid if payment is provided by the Credit Facility;

3. Any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Standard Resolution Provisions; and

4. Put Bonds tendered or deemed tendered in accordance with the provisions of the Supplemental Resolution authorizing such Bonds on the applicable tender date, if the purchase price thereof and interest thereon shall have been paid or amounts are available and set aside for such payment as provided in such Supplemental Resolution, except to the extent such tendered Put Bonds thereafter may be resold pursuant to the terms thereof and of such Supplemental Resolution.

The principal component of any Parity Reimbursement Obligation shall be deemed to be Outstanding in a principal amount equal to the principal amount of the obligation then owed by the Issuer thereunder in lieu of the related Bond, regardless of the authorized amount of the principal component of such Parity Reimbursement Obligation or the related Bond and provided that, unless otherwise required pursuant to the related Supplemental Resolution, the principal component of such Parity Reimbursement Obligation shall not by itself increase the Outstanding principal amount of Bonds.

Parity Reimbursement Obligation has the meaning provided in the Standard Resolution Provisions.

Paying Agent or Paying Agents shall mean any paying agent for the Bonds of any Series appointed pursuant to the Standard Resolution Provisions, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution, and in the event that for any reason there shall be a vacancy in the office of Paying Agent, the Trustee, if a different entity, or the Issuer shall act as such Paying Agent.

Person shall mean any individual, corporation, firm, partnership, joint venture, association, joint-stock company, trust, unincorporated association, limited liability company or other legal entity or group of entities, including any public benefit corporation, public instrumentality, quasi-governmental or governmental entity or any agency or subdivision thereof.

Pledged Property shall mean all of the Issuer's right, title and interest in and to (i) the Financing Agreements (other than (A) the Issuer's right to receive the payment of Issuer Expenses, (B) the right of the Issuer to enforce the obligation of the State to make Financing Agreement Payments, (C) the right of the Issuer to agree to the amendment of a Financing Agreement in accordance with the Standard Resolution Provisions, and (D) the right of the Issuer to enforce the provisions of any Financing Agreement independently of the Trustee, without limiting the right of the Trustee to enforce the payment of amounts (other than Financing Agreement Payments) under the Financing Agreements for the benefit of Bondholders or Fiduciaries), and (ii) the Revenues and Funds (other than the Rebate Fund and other Funds, and any accounts and subaccounts therein, established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Bonds, Put Bonds, Parity Reimbursement Obligations, Reimbursement Obligations or Subordinated Indebtedness; provided, however, that such Funds, accounts and subaccounts are specifically excepted from Pledged Property by the Supplemental Resolution authorizing such Variable Interest Rate Bonds, Put Bonds, Parity Reimbursement Obligations, Reimbursement Obligations or Subordinated Indebtedness), including Investment Obligations held in such Funds under the Resolution, together with all proceeds and revenues of the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and the Standard Resolution Provisions; provided, however, that in no event shall any Project or any interest therein be deemed to be "Pledged Property".

Principal Installment shall mean, as of any date of calculation and with respect to any Series of Bonds or any Parity Reimbursement Obligation, as applicable, (a) the principal amount of Outstanding Bonds of such Series, due on the dates and in the amounts specified by Supplemental Resolution, reduced by the principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Installments payable before such dates, plus the unsatisfied balance of any Sinking Fund Installments due on any certain future date for Bonds of such Series, together with such redemption premiums, if any, applicable on any such future date, and (b) with respect to any Parity Reimbursement Obligation, the amount due thereunder on the dates and in the amounts established in accordance with the Standard Resolution Provisions as a principal component of such Parity Reimbursement Obligation payable on a parity with the Bonds.

Prior Obligations shall mean bonds, notes or other obligations previously issued or incurred by an Authorized Issuer not under the Standard Resolution Provisions to finance Costs of a Project.

Project shall mean the land, buildings, improvements, betterments, equipment, furnishings, and other property, real or personal, and all appurtenances thereto and interests therein, comprising each of the projects to be acquired, constructed, reconstructed, renovated, or developed to effectuate an Authorized Purpose.

Put Bonds shall mean Bonds which by their terms may be tendered at the option of the Holder thereof, or are subject to a mandatory tender other than at the election of the Issuer for payment or purchase prior to the stated maturity or redemption date thereof.

Qualified Swap shall mean, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) which is entered into by the Issuer with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of the Issuer as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by the Issuer for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Bonds or variable interest rate Bonds on a synthetic basis or otherwise, or other similar financial transaction, and (iii) which has been designated in writing to the Trustee by an Authorized Officer of the Issuer as a Qualified Swap with respect to such Bonds.

Qualified Swap Payment shall mean any payment required to be made by the Issuer under a Qualified Swap, such payment to be made only from the Subordinated Indebtedness Fund.

Qualified Swap Provider shall mean an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated at least as high as the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Swap Provider.

Rating Agency shall mean each nationally recognized statistical rating organization then maintaining a rating on the Bonds at the request of the Issuer.

Rating Category shall mean one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rating Confirmation shall mean evidence that no rating then in effect from a Rating Agency will be withdrawn or reduced solely as the result of an action to be taken under the Resolution; provided, however, that no action requiring Rating Confirmation shall be undertaken unless at least one Rating Agency at that time maintains a rating on Bonds.

Rebate Amount shall mean, with respect to each Series of Bonds, the amount equal to the rebatable arbitrage and any income attributable to the rebatable arbitrage as required by the Code.

Record Date shall mean with respect to any Interest Payment Date, unless the applicable Supplemental Resolution authorizing a particular Series of Bonds provides otherwise with respect to Bonds of such Series, the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date.

Redemption Date shall mean the date upon which Bonds are to be called for redemption pursuant to the Standard Resolution Provisions.

Redemption Price shall mean, with respect to any Bonds, the Principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof.

Refunding Bonds shall mean all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered pursuant to the Standard Resolution Provisions, on original issuance pursuant to the Standard Resolution Provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Standard Resolution Provisions.

Regulations shall mean the Income Tax Regulations promulgated by the Department of the Treasury from time to time.

Reimbursement Obligation has the meaning provided in the Standard Resolution Provisions.

Requisition shall mean any instructions as deemed necessary and delivered by the Director of the Budget to the Issuer, providing for the payment of Bond proceeds to the State or any other entity.

Revenues shall mean (i) all amounts appropriated and paid to the Issuer or the Trustee from the Revenue Bond Tax Fund pursuant to Section 92-z and the Financing Agreement, constituting Financing Agreement Payments, (ii) any other amounts appropriated and paid by the State to the Issuer or received from any other source by the Issuer and pledged by the Issuer as security for the payment of Bonds, and (iii) interest received or to be received on any moneys or securities held pursuant to the Resolution.

Revenue Bond Tax Fund shall mean the fund established by section 92-z of the State Finance Law.

Section 92-z shall mean section 92-z of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Section 68-a shall mean section 68-a of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Section 68-b shall mean section 68-b of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Section 68-c shall mean section 68-c of the State Finance Law, as it may be hereafter amended or supplemented from time to time.

Securities Depository shall mean a recognized securities depository selected by the Issuer to maintain a book-entry system in respect to all or any portion of a Series of Bonds (including, as appropriate, any nominee thereof), and shall include any substitute for or successor to the Securities Depository initially acting as Securities Depository.

Series shall mean all of the Bonds authenticated and delivered on original issuance and denominated as part of the same series, and thereafter delivered in lieu of or in substitution of such Bonds pursuant to the Standard Resolution Provisions regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Sinking Fund Installment shall mean, with respect to any Series of Bonds, as of any date of calculation and with respect to any Bonds of such Series, the amount of money required by the applicable Supplemental Resolution pursuant to which such Bonds were issued, to be paid in all events by the Issuer on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Issuer by reason only of the maturity of such Bond.

State shall mean the State of New York.

State Fiscal Year shall mean the fiscal year of the State as set forth in the State Finance Law.

State Legislature shall mean the Legislature of the State of New York.

State Revenue Bonds shall mean any notes, bonds or other obligations to be issued or incurred by the State or by a public corporation of the State on behalf of the State in accordance with a hereinafter enacted amendment to the State Constitution, payments with respect to which (i) are payable from specified, dedicated revenues and (ii) do not require an appropriation by the State Legislature in order to be made.

Subordinated Indebtedness shall mean any bond, note or other indebtedness authorized by Supplemental Resolution or other resolution of the Issuer and designated as constituting "Subordinated

Indebtedness" in a certificate of an Authorized Officer of the Issuer delivered to the Trustee, which shall be payable and secured in a manner permitted by the Standard Resolution Provisions, and any lien on and pledge of any portion of the Pledged Property securing Subordinated Indebtedness shall be junior and inferior to the lien on and pledge of the Pledged Property created in the Resolution for the payment of the Bonds and Parity Reimbursement Obligations.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Issuer in accordance with the Resolution and, except as the context may otherwise require, including any related Certificate of Determination.

Tax Law shall mean the tax law constituting Chapter 60 of the consolidated laws of the State.

Taxable Bonds shall mean any Bonds which are not Tax-Exempt Bonds.

Tax-Exempt Bonds shall mean any Bonds the interest on which is intended by the Issuer to be generally excluded from gross income for federal income tax purposes and which are designated as Tax-Exempt Bonds in the Supplemental Resolution authorizing such obligations.

Trustee shall mean a trustee appointed by the Issuer or as otherwise provided in the Standard Resolution Provisions, its successor and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Resolution.

Valuation Date shall mean (i) with respect to any Capital Appreciation Bonds, the date or dates set forth in the Supplemental Resolution authorizing such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bonds, and (ii) with respect to any Deferred Income Bonds, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Resolution authorizing such Bonds on which specific Appreciated Values are assigned to the Deferred Income Bonds.

Variable Interest Rate Bonds shall mean Bonds which bear a variable interest rate but does not include any Bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate. The method of computing such variable interest rate shall be specified in the Supplemental Resolution authorizing such Series of Bonds.

(Section A-101)

The Standard Resolution Provisions to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Bonds and Parity Reimbursement Obligations authorized to be issued or incurred under the Standard Resolution Provisions by those who shall hold the same from time to time, the Standard Resolution Provisions shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and Parity Reimbursement Obligations; and the pledge made in the Standard Resolution Provisions and the covenants and agreements therein set forth to be performed on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and Parity Reimbursement Obligations, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or Parity Reimbursement Obligations over any other thereof except as expressly provided in or permitted by the Resolution.

(Section A-104)

General Provisions for Issuance of Bonds

The issuance of Bonds of a Series or subseries shall be authorized by the Resolution and a Supplemental Resolution or Resolutions adopted at the time of or subsequent to the adoption of the Resolution and which shall be subject to the express limitations of the Resolution. The Bonds of a Series or subseries authorized to be issued shall be executed in accordance with the Standard Resolution Provisions and delivered to the Trustee. Such Series of Bonds or subseries shall be authenticated or otherwise delivered by the Trustee from time to time in such amounts as directed by the Issuer and by it delivered to or upon the order of the Issuer upon receipt of the consideration therefor and upon delivery to the Trustee of:

(A) a copy of the Resolution and the Supplemental Resolution authorizing such Series which, among other things, shall specify the following items (or the manner of determining such items prior to the delivery of the Bonds):

1. The authorized principal amount, designation and Series of such Bonds;

2. The purposes for which such Series of Bonds are being issued, which shall be one or more of the following (a) one or more of the Authorized Purposes permitted by the Enabling Act, or (b) the refunding of Bonds as provided in the Standard Resolution Provisions;

3. The date or dates, and the maturity date or dates and principal amounts of each maturity of the Bonds of such Series;

4. The amount, or the method for determining such amount, and due date of each Sinking Fund Installment, if any, for Bonds of such Series;

5. The Record Date or Record Dates of Bonds of such Series for which the Record Date or Record Dates is other than the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date for such Bonds;

6. If the Bonds of such Series are interest bearing Bonds, the interest rates of the Bonds of such Series and the Interest Payment Dates therefor;

7. If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

8. If Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Obligations, the Valuation Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;

9. If Bonds of such Series are Capital Appreciation Bonds or Deferred Income Bonds, the manner in which and the period during which principal and interest shall be deemed to accrue on such Bonds;

10. If Bonds of such Series are Variable Interest Rate Bonds, the maximum interest rate, if any, or the method of calculating such maximum rate for such Bonds, and the provisions, if any, as to the calculation or change of variable interest rates;

11. If Bonds of such Series are Put Bonds, provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof;

12. The denomination or denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series;

13. The Paying Agent or Paying Agents, if any, and the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if any, of and interest on the Bonds of such Series;

14. The redemption provisions, if any, applicable to the Bonds of such Series;

15. Provisions for time, place and manner of sale or exchange of the Bonds of such Series;

16. Any material change to the form of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon from the forms set forth in Exhibit One to the Resolution. Except as otherwise provided pursuant to a Supplemental Resolution, all of the Bonds of each Series shall be in fully registered form without coupons;

17. Directions for the application of the proceeds of the Bonds of such Series;

18. To the extent applicable, direction to deliver such Series of Bonds in book-entry form to the extent materially different from the provisions of the Standard Resolution Provisions;

19. To the extent applicable, the provisions relating to (a) any Credit Facility, Qualified Swap or other similar financial arrangement entered into in connection with the issuance of the Bonds of such Series and (b) the obligations payable thereunder; and

20. Any other provision deemed advisable by an Authorized Officer of the Issuer, not in conflict with the provisions of the Standard Resolution Provisions or of the applicable Supplemental Resolution.

An Authorized Officer of the Issuer to whom a Supplemental Resolution has delegated the power to determine any of the foregoing shall execute a Certificate of Determination evidencing such determinations or other actions taken pursuant to such delegation, and such Certificate of Determination shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein. The matters set forth in any such Certificate of Determination shall have the same effect as if set forth in the related Supplemental Resolution;

(B) A Counsel's Opinion in customary form to the effect that (i) the Issuer has the right and power under the Acts to adopt the Standard Resolution Provisions, and the Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the Resolution is required, (ii) the Resolution creates the valid pledge to the payment of the Bonds of the Pledged Property which it purports to create pursuant to the Standard Resolution Provisions, subject to the provisions of the Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolution, and (iii) upon the execution and delivery thereof and upon authentication by the Trustee, the Bonds of such Series will be valid and binding, special obligations of the Issuer payable as provided in, and enforceable in accordance with their terms and the terms of, the Resolution and entitled to the benefits of the Acts and the Resolution, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Acts, as amended to the date of such Counsel's Opinion, and in accordance with the Resolution;

(C) A certificate of an Authorized Officer of the Issuer stating that upon the delivery of the Bonds of such Series, the Issuer will not be in default in the performance of any of the terms, provisions or covenants of the Resolution or of any of the Bonds; provided, however, that solely with respect to Refunding Bonds being delivered on original issuance pursuant to the Standard Resolution Provisions, such certificate shall not be a condition to the authentication and delivery of such Refunding Bonds if and to the extent that a certificate of an Authorized Officer of the Issuer is delivered stating that upon the delivery of such Refunding Bonds the Issuer will no longer be in default in the performance of the terms, provisions or covenants of the Resolution or of any of the Bonds as specified in such certificate;

(D) A certificate of an Authorized Officer of the State stating that (i) to the best of such Authorized Officer's knowledge, no event of default under any Financing Agreements has occurred and is continuing nor will an event of default under any Financing Agreements occur as a result of the issuance of such Bonds, and (ii) the approval of the Director of the Budget for such financing;

(E) A copy of the Certificate of Determination, if any, executed in connection with such Series of Bonds;

(F) To the extent authorized by the Issuer pursuant to a Supplemental Resolution, one or more Credit Facilities with respect to any Series of Bonds and any agreements deemed necessary in connection therewith;

(G) A written order of an Authorized Officer of the Issuer as to the delivery of such Series of Bonds, describing such Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;

(H) A certificate of an Authorized Officer of the Issuer setting forth the amount of money, if any, to be deposited into the Debt Service Fund, equal to (a) the amount of capitalized interest funded with the proceeds of the Bonds of such Series, if any, and (b) the sum of the interest on the Bonds of such Series from the date of the Bonds of such Series to the date of delivery thereof;

(I) Any amounts (in the form of cash or Investment Obligations) required to be deposited with the Trustee at the time of issuance and delivery of the Bonds of such Series;

(J) Copies of the Financing Agreement applicable to such Series of Bonds; and

(K) Such further documents and moneys as are required by the provisions of the Standard Resolution Provisions or any Supplemental Resolution adopted pursuant to the Standard Resolution Provisions.

The Issuer may authorize by Supplemental Resolution the issuance of Capital Appreciation Bonds, Deferred Income Bonds, Variable Interest Rate Bonds, Put Bonds or any other form of Bond not in conflict with the provisions of the Resolution or of the applicable Supplemental Resolution.

The Issuer may authorize by Supplemental Resolution such other provisions relating to a Series of Bonds as are permitted by the Resolution.

The Bonds shall not be a debt of the State and the State shall not be liable thereon, nor shall they be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution.

(Section A-201)

Special Provisions for Additional Bonds

After the issuance of the initial Series of Bonds, one or more Series of Additional Bonds may be authorized and delivered upon original issuance for any Authorized Purpose, including payment of Project Costs and the refunding of Prior Obligations or Bonds or Parity Reimbursement Obligations or other indebtedness, upon receipt by the Trustee, in addition to any applicable requirements of the Standard Resolution Provisions, of the following:

(1) A certificate by the Director of the Budget setting forth the most recent collections for any 12 consecutive calendar months ended not more than six months prior to the date of such certificate, of the taxes, fees, fines, penalties, or other monies which, as of the date of issuance of any such Series of Bonds, are levied, collected or imposed by or on behalf of the State and are required to be deposited into the Revenue Bond Tax Fund; provided, however, that if any taxes, fees, fines, penalties or other monies that are required to be deposited into such account were not so required to be deposited for all of such 12 calendar months, such certificate may nevertheless include the full amount of all such taxes, fees, fines, penalties, or other monies actually collected for such 12 calendar months;

(2) (I) A certificate by an Authorized Officer of the Issuer setting forth the Calculated Debt Service on all Outstanding Bonds, including such Series of Additional Bonds to be issued and any additional amounts payable with respect to Parity Reimbursement Obligations for each State Fiscal Year for which such Bonds or Parity Reimbursement Obligations are Outstanding and (II) a certificate of the Director of the Budget, including the amount of Calculated Debt Service set forth in the certificate required by clause (2)(I) of this paragraph (based upon information furnished by each applicable Authorized Issuer pursuant to the related financing agreement), setting forth the calculated debt service (calculated in the same manner as Calculated Debt Service for Bonds and Parity Reimbursement Obligations) shall be made with respect to all Authorized Issuers that have issued bonds or parity reimbursement obligations pursuant to the Enabling Act, which bonds or parity reimbursement obligations are secured by payments to be made from the Revenue Bond Tax Fund for each State Fiscal Year for which such bonds or parity reimbursement obligations are outstanding; and

(3) A certificate by the Director of the Budget stating that the amounts set forth pursuant to paragraph (1) above will be at least 2.0 times the maximum calculated debt service (calculated in the same manner as Calculated Debt Service for Bonds and Parity Reimbursement Obligations) for all Authorized Issuers set forth in subsection (II) of paragraph (2) above for any State Fiscal Year set forth pursuant to paragraph (2) above.

(Section A-202)

Refunding Bonds

One or more Series of Refunding Bonds may be authenticated and delivered to refund all Outstanding Bonds of one or more Series of Bonds or Parity Reimbursement Obligations or any portion of a Series of Outstanding Bonds or Parity Reimbursement Obligations, or any outstanding Prior Obligations, in each case including all or any portion of a maturity. The Issuer may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding (including by redemption, payment at maturity or in connection with exchanges or tenders) and to make such deposits required by the provisions of the Standard Resolution Provisions and of the Supplemental Resolution authorizing such Series of Refunding Bonds.

(A) In addition to the applicable requirements of the Standard Resolution Provisions, Refunding Bonds of any Series issued to refund Outstanding Bonds or Parity Reimbursement Obligations shall be authenticated by the Trustee or otherwise delivered by the Trustee upon the receipt by the Trustee of:

(1) If the Bonds to be refunded are to be redeemed, irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a Redemption Date specified in such instructions;

(2) If Bonds to be refunded are to be deemed paid, evidence of due publication of the notice provided for in the Standard Resolution Provisions to the Holders of the Bonds being refunded;

(3) If Bonds to be refunded are to be deemed paid, either or both of

(i) moneys in an amount sufficient to effect payment of the principal at the maturity date therefor (or on exchange or tender) or the Redemption Price on the applicable Redemption Date of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or Redemption Date, which money shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, and

(ii) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the Standard Resolution Provisions, which Government Obligations and moneys shall be held in trust and used only as provided in the Standard Resolution Provisions; and

(4) Either (i) a certificate of an Authorized Officer of the Issuer (a) setting forth (A) the greatest amount of Calculated Debt Service on all Outstanding Bonds and Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds (including the Refunding Bonds then proposed to be issued but excluding the Bonds or Parity Reimbursement Obligations to be refunded or purchased) and (B) the greatest amount of Calculated Debt Service on all Outstanding Bonds and Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds as calculated immediately prior to the issuance of the Refunding Bonds (including the Bonds or Parity Reimbursement Obligations to be refunded or purchased but excluding the Refunding Bonds) and (b) stating that the greatest amount of Calculated Debt Service on all Outstanding Bonds and Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds set forth pursuant to (A) above is not greater than the greatest amount of Calculated Debt Service on all Outstanding Bonds and Parity Reimbursement Obligations for any future State Fiscal Year during the term of the Bonds set forth pursuant to (B) above; or (ii) the certificates required by the Standard Resolution Provisions with respect to such Series of Refunding Bonds, considering for all purposes of such certificate that the Refunding Obligations then proposed to be issued will be Outstanding but the Bonds or Parity Reimbursement Obligations to be refunded will no longer be Outstanding.

(B) In addition to the applicable requirements of the Standard Resolution Provisions, Refunding Bonds of any Series issued to refund in whole or in part any Prior Obligations shall be authenticated or otherwise delivered by the Trustee upon the receipt by the Trustee of the certificates required to be delivered in connection with the issuance of Additional Bonds in the Standard Resolution Provisions; and shall otherwise comply with any applicable requirements in connection with a refunding set forth in the resolutions which authorized the issuance of such Prior Obligations.

(C) The proceeds, including accrued interest, of such Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or determined in accordance with the Supplemental Resolution authorizing such Refunding Bonds or the related Certificate of Determination.

(Section A-203)

Credit Facilities; Qualified Swaps and other similar arrangements; Parity Reimbursement Obligations

The Issuer may include such provisions in a Supplemental Resolution or related Certificate of Determination authorizing the issuance of a Series of Bonds secured by a Credit Facility as the Issuer deems appropriate, including:

So long as the Credit Facility is in full force and effect, and payment on the Credit Facility is not in default and the provider of the Credit Facility is qualified to do business in the State, and (a) no proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the provider of the Credit Facility in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the provider of the Credit Facility or for any substantial part of its property or for the winding up or liquidation of the affairs of the provider of the Credit Facility and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) days or such court shall enter a decree or order granting the relief sought in such proceeding, or (b) the provider of the Credit Facility shall not have commenced a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall not have consented to the entry of an order for relief in an involuntary case under any such law, or shall not have consented to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the provider of the Credit Facility or for any substantial part of its property, or shall not have made a general assignment for the benefit of creditors, or shall not have failed generally to pay its debts as they become due, or shall not have taken any corporate action with respect to any of the foregoing, then, in all such events, the provider of the Credit Facility shall be deemed to be the sole Holder of the Outstanding Bonds the payment of which such Credit Facility secures when the approval, consent or action of the Bondholders for such Bonds is required or may be exercised under the Resolution, including, without limitation, under the captions "Supplemental Resolutions" and "Amendments", and following a default under the caption "Defaults and Remedies; Defeasance", except where the Credit Facilities provide only liquidity support and not credit support.

In the event that the principal, Sinking Fund Installments, if any, and Redemption Price, if applicable, and interest due on any Bonds Outstanding, or the purchase price of puts in connection with such Bonds, shall be paid under the provisions of a Credit Facility, all covenants, agreements and other obligations of the Issuer to the Bondholders of such Bonds shall continue to exist and such provider of the Credit Facility shall be subrogated to the rights of such Bondholders in accordance with the terms of such Credit Facility.

(a) In addition, such Supplemental Resolution or related Certificate of Determination may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the provider of the Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on such Series of Bonds under the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the provider of a Credit Facility.

(b) In connection therewith the Issuer may enter into such agreements with the issuer of such Credit Facility providing for, inter alia: (i) the payment of fees and expenses to such provider for the issuance of such Credit Facility; (ii) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facility.

(c) The Issuer may secure such Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Issuer in the applicable Supplemental Resolution. The Issuer may also in an agreement with the provider of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility, together with interest thereon (the "Reimbursement Obligation") solely from Pledged Property; provided, however, that no Reimbursement Obligation shall be created, for purposes of the Standard Resolution Provisions, until amounts are paid under such Credit Facility. Any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the related Bond, may be secured by a pledge of, and a lien on, Pledged Property on a parity with the lien created by the Standard Resolution Provisions, but only to the extent principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Bonds, without acceleration. Any Reimbursement Obligation conforming with the provisions of the previous sentence shall be deemed a "Parity Reimbursement Obligation". Parity Reimbursement Obligations shall not include any payments of any fees, expenses, indemnification, or other obligations to any such provider, or any payments pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Bonds. Parity Reimbursement Obligations may be evidenced by Bonds designated as "Bank Bonds." Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates.

(d) Any such Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the applicable Supplemental Resolution.

(e) In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the Issuer also may enter into Qualified Swaps or, to the extent from time to time permitted pursuant to law, other similar arrangements if the Issuer determines that such Qualified Swaps or other similar arrangements will assist the Issuer in more effectively managing its interest costs. To the extent provided in a Supplemental Resolution or related Certificate of Determination, the Issuer's obligation to pay Qualified Swap Payments under any Qualified Swap may be secured by a pledge of, and a lien on, the Subordinated Payment Fund. Qualified Swap Payments may include any payments of any termination or other fees, expenses, indemnification or other obligations to a Qualified Swap Provider, or any payments that represent payment of interest thereunder in advance of the payment of interest on the Bonds to which such Qualified Swap relates.

(f) Parity Reimbursement Obligations shall not be a debt of the State and the State shall not be liable thereon, nor shall Parity Reimbursement Obligations be payable out of any funds other than those of the Issuer pledged therefor pursuant to the Resolution.

(Section A-204)

Bond Anticipation Notes

Whenever the Issuer shall have, by Supplemental Resolution, authorized the issuance of a Series of Bonds, the Issuer, subject to certain special provisions for additional bonds under the Standard

Resolution Provisions, may by adoption of a Supplemental Resolution authorize the issuance of Bond Anticipation Notes in anticipation of the issuance of such authorized Series of Bonds, in a principal amount not exceeding the principal amount of the Bonds of such Series so authorized. The principal of and premium, if any, and interest on such Bond Anticipation Notes and any renewals of such Bond Anticipation Notes shall be payable only from (i) the proceeds of any renewals of such Bond Anticipation Notes issued to repay such Bond Anticipation Notes, (ii) the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued, (iii) any amounts provided by the State and/or the federal government expressly for payment of such Bond Anticipation Notes, or (iv) the proceeds of such Bond Anticipation Notes deposited in any Fund or account under the Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Bond Anticipation Notes and any such pledge shall have priority over any other pledge created by the Resolution. In any case, such Bond Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Bonds in anticipation of which they are issued. The proceeds of the sale of Bond Anticipation Notes, other than renewals thereof, shall be applied to the purposes for which the Bonds in anticipation of which such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or account established by the Resolution for such purposes and, if so provided in the resolution authorizing renewals of Bond Anticipation Notes issued to pay outstanding Bond Anticipation Notes, applied directly to such payment. Interest earned on any amounts on deposit in any Fund or account under the Resolution representing the proceeds of any Bond Anticipation Notes shall be applied in the manner set forth in the Supplemental Resolution authorizing such Bond Anticipation Notes or the related Certificate of Determination.

(Section A-205)

Additional Obligations

The Issuer reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Issuer, so long as such bonds, notes or other obligations are not, or such indebtedness is not, except as provided in the Resolution, entitled to a charge, lien or right prior or equal to the charge or lien on the Pledged Property created by the Resolution, or prior or equal to the rights of the Issuer and Holders of Bonds.

(Section A-206)

Redemption at the Election of the Issuer; Redemption other than at Issuer's Election; Selection of Bonds to be Redeemed

In the case of any redemption of Bonds of a Series at the election of the Issuer, such Bonds may be redeemed at the option of the Issuer as provided in the Supplemental Resolution authorizing such Bonds. In exercising such option, the Issuer shall give written notice to the Trustee and any Paying Agent of its election to redeem, including the Series designation, the principal amounts and the maturities of such Bonds so elected. The Series designation, maturities and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion, subject to any limitations with respect thereto contained in the Resolution. Such notice shall be given to the Trustee at least forty-five (45) days prior to the date on which the Bonds of such Series are to be redeemed, or such fewer number of days as shall be acceptable to the Trustee.

Whenever by the terms of the Resolution, Bonds are required to be redeemed otherwise than at the election of the Issuer, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out of money available therefor the Redemption Price to the appropriate Paying Agents in accordance with the terms of the Standard Resolution Provisions. The Trustee shall have no liability in making such selection.

In the event of redemption of less than all of the Outstanding Bonds of a Series and maturity, the Trustee shall assign to each such Outstanding Bond of such Series and maturity or portion of a maturity to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw such Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in the Standard Resolution Provisions) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds of such Series drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of such Bonds and select part of any such Bonds for redemption.

(Section A-402, A-403, and A-404)

The Pledge Effected by the Resolution

The Bonds are special obligations of the Issuer payable solely from the sources set forth in the subsection under the caption "The Pledge Effected by the Resolution". There is thereby pledged for the payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, the Bonds and of Parity Reimbursement Obligations, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof (and to the provisions authorizing Subordinated Indebtedness in the Resolution) for the purposes and on the terms and conditions set forth in the Resolution, all right, title and interest of the Issuer in the Pledged Property. Such pledge is for the equal and proportionate benefit and security of all and singular the present and future Holders of Bonds and obligees of Parity Reimbursement Obligations issued and to be issued under the Resolution, without preference, priority or distinction, except as otherwise provided in the Standard Resolution Provisions, of any one Bond or Parity Reimbursement Obligation over any other Bond or Parity Reimbursement Obligation, by reason of priority in the issue, sale or negotiation thereof or otherwise. The pledge and lien created by the Resolution for the Bonds and Parity Reimbursement Obligation shall be superior in all respects to any pledge or lien now or hereafter created for indebtedness or other obligation secured by the Subordinated Payment Fund.

The Issuer represents and warrants that under the Enabling Act (i) the pledge set forth in subsection 1 of the section under the caption "The Pledge Effected by the Resolution" is and shall be valid and binding from and after the date of issuance and delivery of the first Series of Bonds, and the items set forth in such pledge are and shall be immediately subject to the lien of such pledge without any physical delivery thereof or further act and the lien of such pledge is and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof; and (ii) neither the Resolution nor any other instrument need be recorded or filed to protect the pledge set forth in the aforementioned section.

The revenues, facilities, properties and any and all other assets of the Issuer, or of any subsidiary thereof, other than the Pledged Property, shall not be used for, or as a result of any court proceeding or otherwise, applied to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price, of and interest on the Bonds, and under no circumstances shall the aforementioned be available for such purpose, nor shall there be any recourse against any other assets, revenues or funds of or other payments due to the Issuer, other than the Pledged Property.

The State has no obligation to continue the imposition of the taxes or the sources of any other funds deposited in the Revenue Bond Tax Fund pursuant to Section 92-z, nor to maintain such taxes or the sources of any other funds at any minimum level, and moneys in the Revenue Bond Tax Fund are not pledged to the payment of the Bonds or Parity Reimbursement Obligations prior to appropriation and transfer to the Issuer or the Trustee.

The obligation of the Comptroller under Section 92-z with respect to moneys on deposit in the Revenue Bond Tax Fund are subject to the rights of holders of debt of the State.

Nothing contained in the aforementioned section shall be deemed a limitation upon the authority of the Issuer to issue bonds, notes or other obligations under the Issuer Act secured by other income and funds other than the Pledged Property.

(Section A-501)

Establishment of Funds

Funds and accounts shall be established as authorized by the Standard Resolution Provisions.

(Section A-502)

Payment of Bonds

The Issuer shall duly and punctually pay or cause to be paid the principal, Sinking Fund Installments, if any, Redemption Price of, and interest on every Bond, at the dates and places and in the manner set forth in the Bonds according to the true intent and meaning thereof.

(Section A-601)

Extension of Payment of Bonds

The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of the Bonds or the time for payment of any claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of any assets of the Issuer or the Funds and accounts (except Funds and accounts held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Trustee, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such claims for interest. Nothing in the Resolution shall be deemed to limit the right of the Issuer to issue Refunding Bonds as permitted by the Resolution and by the Issuer Act and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds refunded.

(Section A-602)

Offices for Servicing Bonds

The Issuer shall at all times maintain an office or agency in the State, where Bonds may be presented for payment, registration, transfer or exchange and where notices, presentations and demands upon the Issuer in respect of the Bonds or of the Standard Resolution Provisions may be served. The Issuer appoints the Trustee as its agent to maintain such office or agency in the State for the registration, transfer or exchange of Bonds, for the authentication of Bonds, and for the payment of Bonds.

(Section A-603)

Further Assurance

At any time and all times the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the Pledged Property pledged or assigned by the Resolution, or intended so to be, or which the Issuer may hereafter become bound to pledge or assign. The Issuer further covenants that it shall use its best efforts, to the extent authorized by law, to cause the Director of the Budget to make and deliver the certificates referred to in the Standard Resolution Provisions at the times required therein and shall cause the amounts so received to be deposited in the appropriate Funds.

(Section A-604)

Power to Issue Bonds and Pledge Revenues and Other Funds

The Issuer is duly authorized under the Acts, and all applicable laws to create and issue the Bonds, to adopt the Resolution and to pledge the Pledged Property purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Standard Resolution Provisions, the Pledged Property is and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable special obligations of the Issuer in accordance with their terms and the terms of the Resolution. The Issuer further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property and all of the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

(Section A-605)

Creation of Liens

Except in accordance with the provisions of the Standard Resolution Provisions, the Issuer shall not hereafter issue any bonds or other evidences of indebtedness, other than the Bonds, Parity Reimbursement Obligations and Bond Anticipation Notes, secured by an equal or prior pledge of all or any part of the Pledged Property, and shall not create or cause to be created any equal or prior lien or charge on the Pledged Property except as provided in the Standard Resolution Provisions; provided, however, that nothing contained in the Resolution shall prevent the Issuer from issuing (i) evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge of the Revenues provided in the Resolution shall be discharged and satisfied as provided in the Standard Resolution Provisions or (ii) evidences of indebtedness secured by the Subordinated Payment Fund.

(Section A-606)

Certificate of the Director of the Budget

In order to assure the maintenance of the Funds and accounts held under the Resolution, not later than thirty days after the submission of the executive budget for the ensuing State Fiscal Year in accordance with the State Constitution, the Issuer shall to the extent authorized by law use its best efforts to enforce the obligation set forth in the Financing Agreement of the Director of the Budget to certify to the Comptroller in accordance with subdivision 5(b) of Section 92-z and the Standard Resolution Provisions a schedule setting forth the following:

(a) The amount of receipts certified and estimated to be deposited on a monthly basis to the Revenue Bond Tax Fund; and

(b) The amount of monthly cash requirements so certified by the Director of the Budget for such State Fiscal Year which shall be at least equal to:

1. all payments of principal, Sinking Fund Installments, if any, and Redemption Price, of Outstanding Bonds due in such State Fiscal Year;

2. the amounts required to pay all interest on Outstanding Bonds (including interest at the Estimated Average Interest Rate for Variable Interest Rate Bonds or under the related Reimbursement Obligation) and any additional amounts due with respect to related Parity Reimbursement Obligations due in such State Fiscal Year;

3. all Issuer Expenses for such State Fiscal Year;

4. all principal of and interest or other amounts payable from the Subordinated Payment Fund and due in such State Fiscal Year;

5. any amounts required to rebate to the Department of the Treasury of the United States of America and not otherwise held in the Funds and accounts under the Resolution;

6. all other payment requirements referred to in the Enabling Act for such State Fiscal Year.

The schedule accompanying the certificate of the Director of the Budget shall also provide for payments as the Director of the Budget deems appropriate to ensure that sufficient funds will be available from the sources, including without limitation revenues derived from the taxes and fees deposited in the Revenue Bond Tax Fund in accordance with Section 92-z, to enable the Issuer to meet its obligations under the Resolution as they become due; provided, however, that such schedule shall require the Comptroller to set aside, on a monthly basis, amounts in the Revenue Bond Tax Fund such that the combined total of (i) the amounts previously set aside and on deposit in the Revenue Bond Tax Fund and (ii) the monthly amounts, as provided for in paragraph (a) above, required to be deposited to the Revenue Bond Tax Fund in such month is not less than one hundred twenty-five percent (125%) of the monthly cash requirements, as provided for in paragraph (b) above, to be paid by the Comptroller to the Trustee, on behalf of the Issuer, in the following month. Financing Agreement Payments shall be paid to the Trustee on or before the fifth Business Day preceding the date on which such payment is due; and provided, further, that to ensure sufficient funds will be available from the sources just described to meet the Issuer's obligations when due, such schedule shall require the Comptroller to pay (x) all moneys set aside pursuant to subdivision 5 of Section 92-z less (y) the Issuer's estimate of investment earnings available therefor on Funds and accounts established under the Resolution and other amounts available under the Resolution, which such estimate shall be made at least once each calendar month prior to the making of any transfer pursuant to subdivision 5 of Section 92-z.

The Financing Agreement shall require the Director of the Budget to promptly revise or amend such certification and the schedule required to accompany such certification, from time to time, to assure that such certification, together with the accompanying schedule, accurately sets forth any and all amounts required or projected by the Issuer for the purposes and at the times prescribed by subdivision 5 of Section 92-z. The Financing Agreement shall require the Director of the Budget to promptly revise or amend such certification and the accompanying schedule if additional amounts are required to make any payment of principal, Sinking Fund Installments, if any, and Redemption Price of or interest on Bonds or with respect to Parity Reimbursement Obligations.

In any event, whether or not there has been any intervening requirement to revise such certificate under the Standard Resolution Provisions, promptly but in no event later than 30 days after the date of the issuance of any Series of Bonds under the Resolution or the issuance of any Parity Reimbursement Obligation, or other evidence of indebtedness payable from the Subordinated Payment Fund or otherwise, the Director of the Budget shall submit a revised certification, together with the accompanying schedule, which accurately sets forth any and all amounts required or projected to be required by the Issuer as of such date for the purposes and at the times prescribed by the terms of the Standard Resolution Provisions.

The agreement of the State under Section 68-c shall be deemed executory only to the extent of appropriations available for payments under Section 68-c and no liability on account of any such payment shall be incurred by the State beyond such appropriations.

(Section A-607)

Agreement With the Director of the Budget

The Issuer shall only issue or incur Bonds (including Refunding Bonds), Parity Reimbursement Obligations or other obligations under the Resolution (including obligations incurred pursuant to the Standard Resolution Provisions) with the written approval of the Director of the Budget. The Issuer shall enter into one or more Financing Agreements with the State, acting through the Director of the Budget, as provided in subdivision 1 of Section 68-c providing for the specific manner, timing and amount of payments to be made under Section 68-c and the Resolution. The Issuer shall approve the form and substance of such Financing Agreement with respect to any Series of Bonds prior to or concurrently with the adoption of the applicable Supplemental Resolution and shall use its best efforts, to the extent permitted by law, to take all steps necessary or appropriate to enforce such Financing Agreement and to assure compliance by the State therewith. The Issuer shall not enter into any such Financing Agreement that is not in conformity with the Acts and the Resolution.

(Section A-608)

Agreement With the State

In accordance with the provisions of the Enabling Act and to the extent applicable, the Issuer Act, the Issuer includes in the Resolution, to the fullest extent enforceable under applicable federal and State law, the pledge to and agreement with the Holders of the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations or other obligations issued or incurred under the Resolution made by the State and set forth in the Acts that the State will not in any way impair the rights and remedies of such Holders until such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations and other obligations issued or incurred under the Resolution, together with interest thereon, with interest, if any, on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of such Holders, are fully met and discharged.

Notwithstanding any other provision of the Standard Resolution Provisions, nothing contained in the Acts or the Resolution shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to taxes imposed pursuant to Article 22 of the Tax Law. The Issuer and the Holders of the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations and other obligations issued under the Standard Resolution Provisions expressly agree that it shall be an integral part of the contract arising under the Standard Resolution Provisions that no default thereunder occur as a result of the State exercising its right to amend, repeal, modify or otherwise alter any such tax.

(Section A-609)

Amendment of Financing Agreements

The Issuer shall not amend, change, modify, alter or terminate any Financing Agreement so as to materially adversely affect the right, security and interest of the Holders of the Outstanding Bonds without the prior written consent of the provider of a Credit Facility, if any, affected thereby, or, in the event that there is no Credit Facility in place with respect to the Series of Bonds affected thereby, without the prior written consent of at least a majority in aggregate principal amount of the Holders of the Bonds then Outstanding and affected thereby; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the providers of the Credit Facility, if any, or the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Standard Resolution Provisions. Any Financing Agreement may be amended, supplemented, changed, modified or altered without the consent of the provider of the Credit Facility, if any, or the Holders of Outstanding

Bonds to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, or the providing, furnishing and equipping of a Project or which may be added to such Project, or to provide for additional Financing Agreement Payments; and any Financing Agreement may be amended, supplemented, changed, modified or altered without such consent to cure any ambiguity, or to correct or supplement any provisions contained in any Financing Agreement, which may be defective or inconsistent with any other provisions contained in the Resolution or in such Financing Agreement and which the Issuer determines will not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds or the provider of a Credit Facility, as the case may be. In no event shall changes relating solely to Projects, including schedules related thereto, be deemed to materially adversely affect such Holders or providers of Credit Facilities. Upon execution by the Issuer of any amendment, a copy thereof certified by the Issuer shall be filed with the Trustee and each provider of the Credit Facility affected thereby.

For the purposes of the Standard Resolution Provisions, Bonds shall be deemed to be materially adversely affected by an amendment, change, modification or alteration of any Financing Agreement if the same materially adversely affects or diminishes the rights, security and interest of the Holders of the Bonds or the provider of a Credit Facility, as the case may be. The Issuer may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds or the right, security and interest of the Holders of Outstanding Bonds or the provider of a Credit Facility, as the case may be, would be materially adversely affected by any amendment, change, modification or alteration, and any such determination shall be binding and conclusive on the provider of a Credit Facility, the Trustee and all Holders of Bonds; and, provided further, however, any such amendments deemed necessary by the Issuer to effect any assumption, extinguishment and substitution authorized by the Standard Resolution Provisions shall not be deemed to materially adversely affect the Bonds.

For all purposes of the Standard Resolution Provisions, the Issuer shall be entitled to rely upon a Counsel's Opinion (a copy of which shall be provided by the Issuer to any provider of a Credit Facility thereby affected), with respect to whether any amendment, change, modification or alteration materially adversely affects the right, security and interest of any Holders of Bonds and any provider of a Credit Facility of a Series then Outstanding.

(Section A-610)

Enforcement of Duties and Obligations of the State

The Issuer shall use its best efforts, to the extent permitted by law, to cause the State to perform fully all duties and acts and comply fully with the covenants of the State required by any Financing Agreement in the manner and at the times provided in such Financing Agreement provided, however, that the Issuer may delay, defer or waive enforcement of one or more provisions of said Financing Agreement (other than provisions requiring the payment of moneys to any Fund or account established under the Resolution), if the Issuer determines such delay, deferment or waiver will not materially adversely affect the right, security and interest of the Holders of the Bonds of the applicable Series or the issuer of any Credit Facility.

(Section A-611)

Reservation of State Rights of Assumption, Extinguishment and Substitution

It is expressly understood and agreed by the Issuer and the Holders or other obligees of Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations issued or incurred under the Standard Resolution Provisions to be an integral part of the contract arising under the Standard

Resolution Provisions that, in accordance with subdivision 6 of Section 68-c, the State reserves the right, upon amendment of the State Constitution to permit the issuance of State Revenue Bonds, which may be payable from or secured by revenues that include the Revenues pledged under the Standard Resolution Provisions, (i) to assume, in whole or in part, the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations of the Issuer issued or incurred under the Standard Resolution Provisions, (ii) to extinguish the existing lien on Pledged Property created under the Standard Resolution Provisions, and (iii) to substitute security or source of payment for such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations issued or incurred under the Standard Resolution Provisions, in each case only so long as such assumption, extinguishment and substitution is accomplished in accordance with the Standard Resolution Provisions. (Any Bonds paid or deemed to have been paid in accordance with the Standard Resolution Provisions on or before the date of any assumption, extinguishment and substitution shall not be taken into account in determining compliance with the provisions of the Standard Resolution Provisions.)

Any such assumption, extinguishment and substitution may be effected if the following provisions are complied with and each such provision shall be a condition precedent to such assumption, extinguishment and substitution:

1. the State shall either (x) fully authorize the assumption and designation of such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations issued or incurred under the Standard Resolution Provisions as State Revenue Bonds or (y) issue or cause to be issued State Revenue Bonds of like principal amounts, maturities, interest rates, terms of redemption and tenor (except as to the substitution of security) in substitution for such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations; and

2. any State Revenue Bonds resulting from such assumption, extinguishment and substitution shall be secured by revenues that may include all the Revenues securing the Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations issued or incurred under the Standard Resolution Provisions as of the day immediately preceding such assumption, extinguishment and substitution, and the provisions of the Enabling Act relating to security for or payment of the Bonds and Parity Reimbursement Obligations shall remain in full force and effect in substantially the form they existed immediately prior to such assumption, extinguishment and substitution and shall not have been amended in connection therewith except to the extent necessary or convenient to permit the Revenues and the Revenue Bond Tax Fund to be sources of payment or security for the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution; provided, however, that in connection with any such assumption, extinguishment and substitution, it is expressly understood and agreed by all Bondholders and all providers of Credit Facilities that the Enabling Act may be amended to delete the transfer from the general fund as set forth in paragraph (b) of subdivision 5 of Section 92-z and paragraph (a) of subdivision 5 of Section 92-z may be amended to delete the requirement that Financing Agreement Payments be appropriated before any moneys held pursuant to such Section 92-z are transferred to the general fund; and

3. any resolution or trust agreement securing the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution shall contain limitations on amendment powers no less restrictive than those set forth in the Standard Resolution Provisions, and shall include events of default to the effect of those contained in the Standard Resolution Provisions and shall grant the remedies contained the Standard Resolution Provisions, provided that the Comptroller or the Attorney General of the State may serve in the capacity of the Trustee for such purposes and the State or other issuer of State Revenue Bonds may be substituted for the Issuer in the Standard Resolution Provisions, and shall include

defeasance provisions no less restrictive than those set forth in the Standard Resolution Provisions; and

4. the State Revenue Bonds or other obligations resulting from such assumption, extinguishment and substitution of Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations issued or incurred under the Resolution shall have the same or superior priority of claim on the revenues securing such obligations as that provided by the Resolution; and

5. any resolution or trust agreement securing the State Revenue Bonds resulting from such assumption, extinguishment and substitution of Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, and other obligations secured under the Resolution shall contain a covenant of the State substantially to the effect of the covenant contained in the Standard Resolution Provisions; and

6. the Issuer shall furnish the Trustee and any provider of a Credit Facility with a Counsel's Opinion, addressed to each of them, to the effect that the assumption, extinguishment and substitution (A) complies with the provisions of the Standard Resolution Provisions and the Enabling Act and (B) will have no adverse effect on the federal or State tax status of interest on the Bonds.

A copy of the provisions of law and documentation effecting any such assumption, extinguishment and substitution pursuant to the Standard Resolution Provisions (or brief summary thereof or reference thereto) shall be mailed by the Issuer to such Bondholders and providers of Credit Facilities to the extent affected thereby (but failure to mail such copy and request shall not affect the validity of such assumption, extinguishment and substitution when effected as in the Standard Resolution Provisions).

Any such assumption, extinguishment and substitution may be effected if the following provisions are complied with and each such provision shall be a condition precedent to such assumption, extinguishment and substitution:

1. the State shall either (x) fully authorize the assumption and designation of such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations issued or incurred under the Resolution as State Revenue Bonds or (y) issue or cause to be issued State Revenue Bonds of like principal amounts, maturities, interest rates, terms of redemption and tenor (except as to the substitution of security) in substitution for such Bonds, Bond Anticipation Notes, Parity Reimbursement Obligations, or other obligations; and

2. with respect to all Bonds Outstanding, written consent to such assumption, extinguishment and substitution shall be given as provided in the Resolution by the Holders of at least a majority in principal amount of such Bonds Outstanding at the time such consent is given; and

3. the Issuer shall furnish the Trustee and any provider of a Credit Facility with a Counsel's Opinion, addressed to each of them, to the effect that the assumption, extinguishment and substitution complies with the provisions of the Standard Resolution Provisions and the Enabling Act.

A copy of the provisions of law and documentation effecting any such assumption, extinguishment and substitution pursuant to the Standard Resolution Provisions (or brief summary thereof or reference thereto) together with a request to the Bondholders indicated above for their consent thereto, shall be mailed by the Issuer to such Bondholders (but failure to mail such copy and request shall not affect the validity of such assumption, extinguishment and substitution when consented to as in the Standard Resolution Provisions). No such assumption, extinguishment and substitution pursuant to this subdivision shall be effective unless and until there shall have been filed with the Issuer (i) the written consents of Holders of the percentages of Outstanding Bonds specified in this subdivision, and (ii) the aforementioned Counsel's Opinion. Each such consent of a Bondholder shall be effective only if accompanied by proof of the holding or owning, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Standard Resolution Provisions. A certificate or certificates by an Authorized Officer of the Issuer filed with the Issuer that such Authorized Officer has examined such proof and that such proof is sufficient in accordance with the Standard Resolution Provisions shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of such Authorized Officer. Any such consent given by such Holder shall be binding upon such Holder of the Bonds giving such consent and, anything in the Standard Resolution Provisions to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Issuer prior to the time when the written statement of the Issuer in the Standard Resolution Provisions provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Officer of the Issuer filed with the Issuer to the effect that no revocation thereof is on file. At any time after such Holders of the required percentages of Bonds shall have filed their consents, the Issuer shall make and file with its records relating to the Bonds a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that such assumption, extinguishment and substitution have been consented to by the Holders of the required percentages of Bonds and will be effective as provided in the Standard Resolution Provisions, may be given to such Bondholders by the Issuer by mailing or causing the mailing of such notice to such Bondholders (but failure to mail such notice shall not prevent such assumption, extinguishment and substitution from becoming effective and binding as in the Standard Resolution Provisions provided) and, in the sole discretion of the Issuer, by publishing the same at least once not more than ninety (90) days after such Holders of the required percentages of Bonds shall have filed their consents and the written statement of the Issuer above provided for is filed (but failure to publish such notice shall not prevent such assumption, extinguishment and substitution from becoming binding as in the Standard Resolution Provisions provided). If such notice is published, the Issuer shall file with its records relating to the Bonds proof of the publication of such notice and, if the same shall have been mailed to such Bondholders, of the mailing thereof. A transcript consisting of the papers required or permitted by the Standard Resolution Provisions to be filed with the Issuer records relating to the Bonds, shall be proof of the matters therein stated. Such assumption, extinguishment and substitution shall be deemed conclusively binding upon the State, the Issuer, the Trustee, and the Holders of all Bonds upon filing with the Issuer records of proof of mailing of such notice or at the expiration of forty (40) days after such filing of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such assumption, extinguishment and substitution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Issuer during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such assumption, extinguishment and substitution as it may deem expedient.

Upon the effective date of any such assumption, extinguishment and substitution, then, at the option of the Issuer, the covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Issuer shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and any Paying Agents shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Resolution which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption.

(Section A-612)

Accounts and Reports

The Issuer shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all its transactions relating to all Funds and accounts established by the Resolution which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than twenty-five per cent (25%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing. The Issuer may authorize or permit the Trustee or its duly authorized agents to keep any or all of such books on behalf of the Issuer.

(Section A-613)

Tax Covenants

The Issuer shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds issued as Tax-Exempt Bonds shall be not included in the gross income of the owners thereof for purposes of federal income taxation.

Notwithstanding the foregoing, the Issuer reserves the right, in a Supplemental Resolution authorizing the issuance of obligations, to elect to issue Taxable Bonds.

(Section A-614)

General

The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Acts and the Resolution in accordance with the terms of such provisions.

Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and statutes of the State, including the Acts and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State.

(Section A-615)

Notice as to Event of Default

The Issuer shall notify the Director of the Budget, the Comptroller, each issuer of a Credit Facility and the Trustee in writing that an "Event of Default," as such term is defined in the Standard Resolution Provisions, has occurred and is continuing, which notice shall be given within thirty (30) days after the Issuer has obtained actual knowledge thereof; provided, however, that the Issuer shall provide each of the foregoing with immediate notice of any payment default after the Issuer has obtained actual knowledge thereof.

(Section A-616)

Other Bonds Authorized by the Enabling Act

The Bonds authorized by the Resolution are authorized by the Enabling Act. All bonds issued pursuant to the Enabling Act, whenever issued and by whichever Authorized Issuer, have equal claim to all moneys available subject to appropriation from the Revenue Bond Tax Fund pursuant to the Enabling Act, and further subject to provisions in the Resolution or other such resolutions authorizing such bonds relating to subordination.

(Section A-617)

Investment of Funds

Amounts in the Funds and accounts established by Section 502 of the Resolution may be invested only in Investment Obligations. The Trustee shall make such investments in any Funds or accounts held by the Trustee in accordance with any instructions received from an Authorized Officer of the Issuer. Except as otherwise provided in the resolution authorizing any series of Bond Anticipation Notes, interest earned by the investment of moneys in each Fund or account under the Resolution shall be held, deposited or transferred in accordance with the Standard Resolution Provisions. The Trustee shall have no obligation to invest or reinvest amounts as contemplated by the Resolution except upon the direction of an Authorized Officer of the Issuer as to specific investments. Any such direction, if not in writing, shall be promptly confirmed in writing.

Investment Obligations on deposit in the Funds and accounts held under the Standard Resolution Provisions shall have maturity dates, or shall be subject to redemption or tender at the option of the Issuer or the Trustee on the respective dates specified by an Authorized Officer of the Issuer, as appropriate, which dates shall be on or prior to the respective dates on which the moneys invested therein are expected to be paid for the purposes of such Funds and accounts. The Issuer, or the Trustee, upon the instructions of an Authorized Officer of the Issuer, shall sell any Investment Obligations held in any Fund or account to the extent required for payments from such Fund or account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or account to the extent required to meet the requirements of such Fund or account. Losses, if any, realized on Investment Obligations held in any Fund or account shall be debited to such Fund or account. In computing the amount of such Funds and accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value, plus accrued interest. Accrued interest received upon the sale of any Investment Obligation to the extent such amount exceeds any accrued interest paid on the purchase of such Investment Obligation shall be treated as interest earned on such Investment Obligation for purposes of the Standard Resolution Provisions.

Nothing in the Resolution shall prevent any Investment Obligations acquired as investments of or security for any Fund, account or subaccount held under the Resolution from being held in book-entry form.

(Section A-701)

Trustee; Appointment and Acceptance of Duties

The Trustee shall be appointed in the Supplemental Resolution authorizing the issuance of the first Series of Bonds under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by written instrument of acceptance delivered to the Issuer.

(Section A-801)

Paying Agents; Appointment and Acceptance of Duties

The Issuer may, in its discretion, appoint one or more Paying Agents for the Bonds of any Series in the Supplemental Resolution authorizing such Bonds at least one of which shall have an office for the transaction of business in the State, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in the Standard Resolution Provisions for the appointment of a successor Paying Agent.

Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof.

The principal offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds.

(Section A-802)

Responsibilities of Fiduciaries

The recitals of fact in the Standard Resolution Provisions and in the Bonds shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or in respect of the security afforded by the Resolution, and no Fiduciary shall incur any responsibility in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof except to the extent the proceeds are received by it in its capacity as Fiduciary, or (iii) the application of any moneys paid to the Issuer or others in accordance with the Resolution except as to the application of any moneys paid to it in its capacity as Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties under the Resolution except for its own negligence or willful misconduct. Subject to the foregoing, the Issuer may designate any Fiduciary to undertake any duty in the Resolution of the Issuer with respect to collection, accounting, review of and notice for any consents required thereunder.

(Section A-803)

Evidence on Which Fiduciaries May Act

Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it in good faith to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Issuer. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Issuer to any Fiduciary shall be sufficiently executed if executed in the name of the Issuer by an Authorized Officer.

(Section A-804)

Compensation

The Issuer shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution. The Issuer further agrees to the extent permitted by law to indemnify and save each such Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Resolution, and which are not due to its negligence or willful misconduct. The Issuer’s obligation to make any payment pursuant to the Standard Resolution Provisions shall be limited to payment from amounts made available therefor pursuant to the Financing Agreements.

(Section A-805)

Certain Permitted Acts

Any Fiduciary may become the owner of or deal in any Bonds as fully with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Securities Depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in aggregate principal amount of the Bonds then Outstanding in respect of which any such action is taken.

(Section A-806)

Resignation of Trustee

The Trustee may at any time resign and be discharged of its duties and obligations created by the Resolution by giving not less than sixty (60) days' written notice to the Issuer, specifying the date when such resignation shall take effect, and mailing notice thereof, to the Holders of all Bonds then Outstanding, and such resignation shall take effect on the day specified in such notice unless previously a successor shall have been appointed as provided in the Resolution, in which event such resignation shall take effect immediately upon the appointment of such successor; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee.

(Section A-807)

Removal of Trustee

The Issuer may at any time remove the Trustee initially appointed or any successor thereto by written notice of such removal mailed by first class mail to the Trustee except that the Trustee may not be removed by the Issuer during the pendency of an Event of Default; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee. Notice of the removal of the Trustee shall be mailed by first class mail to the registered Holders of all Bonds then Outstanding at least 30 days prior to such removal.

(Section A-808)

Appointment of Successor Trustee

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer shall appoint a successor Trustee. The Issuer shall cause notice of any such appointment to be mailed to all Holders of Bonds then Outstanding.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of the Standard Resolution Provisions within 30 days after the Trustee shall have given to the Issuer written notice as provided in the Standard Resolution Provisions or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any Trustee appointed under the provisions of the Standard Resolution Provisions in succession to the Trustee shall be a bank or trust company organized under the laws of the State of New York or a national banking association and having Fiduciary Capital Funds of at least $100,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

(Section A-809)

Transfer of Rights and Property to Successor Trustee

Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Resolution. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers, and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any such successor Trustee shall promptly notify the Paying Agents, if any, of its appointment as Trustee.

(Section A-810)

Merger or Consolidation

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which such Fiduciary may sell or transfer all or substantially all of its business, or all of its non-private trust administration business, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act; provided such company shall be a bank having trust powers or a trust company organized under the laws of the State or a national banking association and shall, if it previously had not had such an office, have an office for the transaction of its business in the State, and shall be authorized by law to perform all the duties imposed upon it by the Resolution.

(Section A-811)

Resignation or Removal of Paying Agent and Appointment of Successor

Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty (60) days' written notice to the Issuer and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the Issuer. Any successor Paying Agent may be appointed by the Issuer and (subject to the requirements of the Standard Resolution Provisions) shall be a bank having trust powers or trust company in good standing organized under the laws of any state of the United States of America or a national banking association, duly authorized to exercise trust powers and subject to examination by federal or state Corporation, having Fiduciary Capital Funds of at least $100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor or if there shall be no successor, to the Issuer. In the event that for any reason there shall be a vacancy in the office of Paying Agent, the Issuer shall act as such Paying Agent.

(Section A-812)

Adoption and Filing

The Issuer may adopt at any time or from time to time a Supplemental Resolution to authorize the issue of the initial Series of Bonds and of additional Series of Bonds and the incurrence of Parity Reimbursement Obligation as provided in the Standard Resolution Provisions and to prescribe the terms and conditions thereof and any additional terms and conditions upon which such Bonds may be issued and Parity Reimbursement Obligation may be incurred.

(Section A-901)

Supplemental Resolutions Effective Upon Adoption

Notwithstanding any other provisions of the Standard Resolution Provisions, the Issuer may adopt, for any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution which, upon adoption thereof and filing with the Trustee shall be fully effective in accordance with its terms:

To close the Resolution against, or provide limitations and restrictions contained in the Resolution on, the authentication or execution and delivery on original issuance of Bonds or the issuance of other evidences of indebtedness;

To add to the covenants and agreements of the Issuer contained in the Resolution other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Resolution as theretofore in effect;

To add to the limitations or restrictions in the Resolution other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Resolution as theretofore in effect;

To surrender any right, power or privilege reserved to or conferred upon the Issuer by the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Resolution;

To confirm, as further assurance, any pledge under, and the subjection to any lien, claim or pledge created or to be created by, the Resolution, or any Supplemental Resolution of the Pledged Property, including the Revenues or the Funds, and other moneys and securities;

To modify any of the provisions of the Resolution in any respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered on original issuance after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

To add to the Resolution any provisions required by law to preserve the exclusion from gross income for federal income tax purposes of interest received on Tax-Exempt Bonds then Outstanding or to be issued or the exemption of interest received on any Bonds from State income taxation;

To modify, amend or supplement the Resolution in any manner in order to provide for a Credit Facility, Qualified Swap or other similar arrangement with respect to any Series of Bonds, under the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution, so long as the Issuer determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect;

To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in the Standard Resolution Provisions and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

To authorize Subordinated Indebtedness and, in connection therewith, specify and determine (or provide procedures for an Authorized Officer of the Issuer to specify or determine) the matters and things required or permitted by Article V of the Resolution in connection therewith, and also any other matters and things relative to such Subordinated Indebtedness which are not contrary to or inconsistent with the Standard Resolution Provisions as then in effect, or at any time to amend, rescind or limit any authorization for any such Subordinated Indebtedness theretofore authorized but not issued or entered into; and in connection with the authorization of Subordinated Indebtedness, any such Supplemental Resolution may include provisions for the availability, transferability, use or application of amounts available to pay Subordinated Indebtedness in the Subordinated Payment Fund and any other funds, accounts or subaccounts created for the benefit of such Subordinated Indebtedness;

To provide, with prior written notice to each Rating Agency, for additional Investment Obligations that may be designated as Government Obligations consistent with clause (f) of the definition of Government Obligations;

Notwithstanding the Standard Resolution Provisions, to the extent authorized by law and to the extent the Issuer shall have received a Counsel’s Opinion that it will not adversely affect the exclusion of interest from the income of Holders of Bonds for federal income tax purposes for any Tax-Exempt Bonds, to provide for the delivery of Bonds that are not in registered form;

To modify the pledge effected by Section 501 of the Resolution and such other provisions of the Standard Resolution Provisions solely to give effect to an assumption, extinguishment and substitution consistent with the Standard Resolution Provisions;

Notwithstanding the terms and provisions of the Standard Resolution Provisions, to the extent authorized by law and to the extent that it will not adversely affect the exclusion of interest from the income of Holders of Bonds for federal income tax purposes for any Bonds issued on a tax-exempt basis, to provide for the delivery of a Series of Bonds or a portion of a Series of Bonds incorporating detachable call options;

To modify, with prior written notice to each Rating Agency, the definition of Qualified Swap Provider; or

To make any other modification or amendment of the Resolution which the Issuer shall in its sole discretion determine will not have a material adverse effect on the interests of the Holders of Outstanding Bonds or Parity Reimbursement Obligations.

In making any determination under the preceding paragraph, the Issuer may consult with and rely upon an Opinion of Counsel or opinions of other experts or professionals.

(Section A-902)

Supplemental Resolutions Effective with Consent of Trustee

Notwithstanding any other provision of the Standard Resolution Provisions, the Issuer may adopt a Supplemental Resolution amending any provision of the Standard Resolution Provisions, effective upon filing with the Issuer of a written determination of the Trustee and a Counsel's Opinion that such amendment will not materially adversely affect the rights of any Holder of Bonds.

(Section A-903)

Supplemental Resolutions Effective with Consent of Bondholders

Except as permitted in the Standard Resolution Provisions, at any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders, and in accordance with the provisions of the Standard Resolution Provisions, which Supplemental Resolution, upon adoption and upon compliance with the Standard Resolution Provisions shall become fully effective in accordance with its terms as provided in the Standard Resolution Provisions.

(Section A-904)

General Provisions

Nothing contained in the Standard Resolution Provisions shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Standard Resolution Provisions or the right or obligation of the Issuer to execute and deliver to the Trustee any instrument which elsewhere in the Resolution it is provided shall be so delivered.

Any Supplemental Resolution referred to and permitted or authorized by the Standard Resolution Provisions may be adopted by the Issuer without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Standard Resolution Provisions. Every Supplemental Resolution adopted by the Issuer shall be (i) subject to the written approval of the Director of Budget, and (ii) the subject of a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms. The Trustee shall be entitled to rely upon such opinion, which shall be conclusive evidence that such Supplemental Resolution is authorized or permitted by the Standard Resolution Provisions.

The Trustee is thereby authorized to accept delivery of a certified copy of any Supplemental Resolution permitted or authorized pursuant to the Standard Resolution Provisions and to make all further agreements and stipulations which may be contained in the Resolution, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the Standard Resolution Provisions.

No Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent shall become effective without the written consent of the Trustee or Paying Agent affected thereby.

(Section A-905)

Mailing and Publication

Any provision in the Standard Resolution Provisions relating to the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid to each Bondholder of any affected Bonds then Outstanding at such Bondholder's address, if any, appearing upon the registry books of the Issuer and to the Trustee; or, in each case, to such parties by facsimile or other means to the extent permitted by applicable law and arrangements.

Any provision in the Standard Resolution Provisions for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper.

(Section A-1001)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Standard Resolution Provisions, (a) by the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, by the Holders of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Standard Resolution Provisions. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of the Standard Resolution Provisions, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same materially adversely affects or diminishes the right, security and interest of the Holders of Bonds of such Series. The Issuer may in its discretion determine whether or not in accordance with the foregoing, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on all Holders of Bonds. The Issuer shall, prior to making any such determination, receive a Counsel's Opinion as conclusive evidence as to whether the Bonds of a Series or maturity would be so affected by any such modification or amendment thereof. Notwithstanding anything in the Standard Resolution Provisions or the Resolution to the contrary, the consent of Holders of any Series of Additional Bonds to be issued under the Resolution shall be deemed given if the underwriters or initial purchasers for resale thereof consent in writing to any modification or amendment effected thereby, and such modification or amendment, as well as such consent, is disclosed in the official statement or other offering document pursuant to which such Series of additional Bonds is offered and sold.

(Section A-1002)

Consent of Bondholders

The Issuer may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Standard Resolution Provisions, to take effect when and as provided in the Standard Resolution Provisions. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto, shall be mailed by the Issuer to such Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as is provided in the Standard Resolution Provisions). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Issuer (i) the written consent of Holders of the percentages of Outstanding Bonds specified in the Standard Resolution Provisions, and (ii) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted by the Issuer in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Issuer and enforceable in accordance with its terms. Each such consent shall be effective only if accompanied by proof of the holding or owning, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Standard Resolution Provisions. A certificate or certificates by an Authorized Officer of the Issuer filed with the Issuer that he or she has examined such proof and that such proof is sufficient in accordance with the Standard Resolution Provisions shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of such Authorized Officer of the Issuer. Any such consent given by such Holder shall be binding upon such Holder of the Bonds giving such consent and, anything in the Standard Resolution Provisions to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Issuer prior to the time when the written statement of the Issuer in the Standard Resolution Provisions provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Officer of the Issuer filed with the Issuer to the effect that no revocation thereof is on file. At any time after such Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Issuer shall make and file with its records relating to the Bonds a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Issuer on a stated date, a copy of which is on file with the Issuer) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in the Standard Resolution Provisions, may be given to such Bondholders by the Issuer by mailing or causing the mailing of such notice to such Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as is provided in the Standard Resolution Provisions) and, in the sole discretion of the Issuer, by publishing the same at least once not more than ninety (90) days after such Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Issuer provided for in the Resolution is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming binding as is provided in the Standard Resolution Provisions). If such notice is published, the Issuer shall file with its records relating to the Bonds proof of the publication of such notice and, if the same shall have been mailed to such Bondholders, of the mailing thereof. A transcript consisting of the papers required or permitted by the Standard Resolution Provisions to be filed with the Issuer records relating to the Bonds, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Trustee, or the Holders of all Bonds upon filing with the Issuer records of proof of mailing of such notice or at the expiration of forty (40) days after such filing of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Issuer during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

For the purpose of the Standard Resolution Provisions, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by the Standard Resolution Provisions in the manner provided therein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Issuer or with the remarketing of the Bonds.

(Section A-1003)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Issuer of a Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Standard Resolution Provisions except that no notice to Bondholders either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the filing with the Issuer of the written assent thereto of the Trustee in addition to the consent of the Bondholders.

(Section A-1004)

Exclusion of Bonds

Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in the Standard Resolution Provisions, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in the Resolution. At the time of any consent or other action taken under the Standard Resolution Provisions, the Issuer shall file with its records relating to the Bonds a certificate of an Authorized Officer of the Issuer describing all Bonds so to be excluded.

(Section A-1005)

Notation on Bonds

Bonds delivered after the effective date of any action taken as provided in the Standard Resolution Provisions may, and, if the Issuer so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and Trustee as to such action, and in that event upon demand of the Holder of any Bond Outstanding at such effective date and presentation to the Issuer of his or her Bond for such purpose, suitable notation shall be made on such Bond by the Issuer as to any such action. If the Issuer and Trustee shall so determine, new Bonds so modified as, in the opinion of the Issuer and Trustee conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding, shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

(Section A-1006)

Events of Default

The occurrence of one or more of the following events shall constitute an "Event of Default":

(a) payment of principal, Sinking Fund Installments, interest or premium on any Bond shall not be made when the same shall have become due, whether at maturity or upon call for redemption or otherwise, which default shall continue for a period of ten (10) Business Days; or

(b) in connection with financings for any Authorized Purpose authorized by Section 68-b, the Director of the Budget shall fail or refuse to comply with the provisions of subdivision 5(b) of Section 92-z and such failure or refusal shall continue for a period of thirty (30) days; or

(c) the Comptroller shall fail to pay to any Authorized Issuer from an appropriation, as and when provided by subdivision 3 of Section 68-c in accordance with a Financing Agreement, any amount as shall be certified by the Director of the Budget pursuant to subdivision 5(b) of Section 92-z, which default shall continue for a period of ten (10) Business Days; or

(d) the Governor shall fail or refuse to include in the appropriation bills required to be submitted by the Governor pursuant to Section 24 of the State Finance Law appropriations sufficient to pay any and all amounts as shall be certified by the Director of the Budget pursuant to subdivision 5(b) of Section 92-z, in connection with financings for any Authorized Purpose authorized by Section 68-b, and such failure or refusal shall continue for thirty (30) days from and after the date on which such bills are required to be submitted; or

(e) the State shall have enacted a moratorium or other similar law affecting payment of bonds, including the Bonds, in connection with financings for any Authorized Purpose authorized by Section 68-b; or

(f) the State or any officer of the State shall fail or refuse to comply with any of the provisions of Section 68-c or Section 92-z, either case relating to security for or payment of bonds, including the Bonds, in connection with financings for any Authorized Purpose authorized by Section 68-b; or

(g) failure by the Issuer to observe any of the covenants, agreements or conditions on its part contained in the Resolution or in the Bonds, and failure to remedy the same for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of not less than a majority in aggregate principal amount of Bonds at the time Outstanding; provided that, if such default cannot be corrected within such thirty (30)-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within such period and is diligently pursued until the default is corrected.

Except as provided above or, to the extent permitted by the Standard Resolution Provisions, in a Supplemental Resolution, no default under the Acts or any resolution, agreement, or other instrument shall constitute or give rise to an Event of Default under the Resolution.

It is expressly understood that nothing in the Standard Resolution Provisions or elsewhere in the Resolution may be construed to restrict the right of the State under subdivision 5 of Section 68-c to amend, repeal, modify or otherwise alter statutes imposing or relating to any taxes or the sources of any other funds, including the taxes or the sources of any other funds to be deposited into the Revenue Bond Tax Fund without giving rise to an Event of Default under the Resolution.

(Section A-1101)

Remedies

Upon the occurrence and continuance of any Event of Default specified in the Standard Resolution Provisions, the Trustee shall, and upon the occurrence and continuance of any other Event of Default specified in the Standard Resolution Provisions, the Trustee may, and upon written request of the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, shall:

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Holders of Bonds under the Resolution;

(b) bring suit upon such Bonds;

(c) by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Holders of such Bonds; or

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds.

The Trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the Holders of the Bonds in the enforcement and protection of their rights.

The Supreme Court of the State shall have jurisdiction of any suit, action or proceeding by the Trustee on behalf of the Holders of Bonds, and venue of any such suit, action or proceeding shall be laid in the County of Albany.

No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Holders of the Bonds is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Standard Resolution Provisions, except that the rights of Bondholders pursuant to subdivision 2(g) of Section 68-b as in effect on the date of adoption of the Standard Resolution Provisions are abrogated. It is further expressly understood that the Resolution does not permit the Trustee or the Holders of the Bonds to declare the Bonds to be immediately due and payable.

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under the Resolution, or any other remedy under the Resolution or under the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Resolution and unless also the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers therein above granted, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Resolution, or to enforce any right under the Resolution or under the Bonds, except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of Outstanding Bonds, subject, however, to the Standard Resolution Provisions. Nothing in the Resolution or in the Bonds contained shall affect or impair the right of action, which is also absolute and unconditional, of any Holder of any Bond to enforce payment of the principal of and premium, if any, and interest on such Bond at the respective dates of maturity of each of the foregoing and at the places therein expressed.

All rights of action under the Resolution or under any of the Bonds which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name, as trustee, for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of the Resolution.

No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by the Standard Resolution Provisions to the Trustee and to the Holders of the Bonds, respectively, may be exercised from time to time as often as may be deemed expedient.

(Section A-1102)

Priority of Payments After Default

In the event that the funds held by the Issuer, the Trustee or by the Paying Agents shall be insufficient for the payment of principal, Sinking Fund Installments, if any, or Redemption Price of and interest then due on the Bonds and for payments then due with respect to Parity Reimbursement Obligations, such funds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any Fund or account under the Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Bond Anticipation Notes) and any other moneys received or collected by the Trustee or any Paying Agents, after making provision for the payment of any expenses necessary in the opinion of the Trustee to preserve the continuity of the Revenues, or otherwise protect the interests of the Holders of the Bonds, and after making provision for the payment of the reasonable charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their duties under the Resolution, shall be applied as follows:

> FIRST: To the payment to the Persons entitled thereto of all installments of interest then due with respect to Bonds or Parity Reimbursement Obligations in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference, except as to

the difference in the respective rates of interest specified in such Bonds and Parity Reimbursement Obligations; and

SECOND: To the payment to the Persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds or Parity Reimbursement Obligations which shall have become due whether at maturity or by call for redemption in the order of their due dates and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

If and when all overdue installments of interest on all Bonds and Parity Reimbursement Obligations, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the Issuer under the Standard Resolution Provisions, including the principal and Redemption Price of and accrued unpaid interest on all Bonds and Parity Reimbursement Obligations which shall then be payable, shall either be paid by or for the account of the Issuer, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Standard Resolution Provisions or the Bonds or Parity Reimbursement Obligations shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all such Pledged Property then remaining unexpended in the hands of the Trustee (except Pledged Property deposited or pledged, or required by the terms of the Standard Resolution Provisions to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights. No such payment to the Issuer by the Trustee or resumption of the application of Pledged Property as provided in Article V of the Resolution shall extend to or affect any subsequent default under the Standard Resolution Provisions or impair any right consequent thereon.

(Section A-1103)

Defeasance

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds then Outstanding, the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, thereof and interest to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Issuer, the covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Issuer shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee and any Paying Agents, if any, shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Standard Resolution Provisions which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption or required for payments to Fiduciaries pursuant to the Standard Resolution Provisions thereof.

Bonds, or portions of Bonds, for the payment or redemption of which moneys shall have been set aside and shall be held by the Trustee (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date or Redemption Date of such Bonds shall be deemed to have been paid within the meaning of the Standard Resolution Provisions. Any Bonds, or portions of Bonds, of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in the Standard Resolution Provisions if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide to Holders in accordance with the Standard

Resolution Provisions notice of redemption on said date or dates of such Bonds, (b) there shall have been irrevocably deposited by the Issuer with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited by the Issuer with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall (i) publish, as soon as practicable, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper a notice to the Holders of such Bonds, and (ii) mail by registered or certified mail, postage prepaid, a notice to the Holders of such Bonds, in each case that the deposit required by (c) above has been made and that said Bonds are deemed to have been paid in accordance with the Standard Resolution Provisions and stating such maturity date or Redemption Date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, on said Bonds. The Trustee shall, at the discretion of the Issuer, select the Bonds of a Series and the maturity or portion of a maturity thereof shall be paid in accordance with the Standard Resolution Provisions in the manner further provided in the Standard Resolution Provisions thereof. Neither Government Obligations or moneys deposited pursuant to the Standard Resolution Provisions nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on said Bonds; provided that any moneys received from such principal or interest payments on such Government Obligations so deposited, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Redemption Date, payment date or maturity date thereof, as the case may be. Any income or interest earned by, or increment to, the investment of any such moneys so deposited shall, to the extent in excess of the amounts required in the Resolution to pay principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be applied as follows: first to the Rebate Fund, the amount, if any, required to be deposited therein; and, then the balance thereof to the Issuer, and any such moneys so paid shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution. Prior to applying any such excess amounts pursuant to this paragraph or the following paragraph, the Issuer shall obtain written confirmation from an independent certified public accountant that the amounts remaining on deposit and held in trust are sufficient to pay the obligations set forth above.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Government Obligations and moneys, if any, in accordance with the second sentence of the preceding paragraph, the interest to come due on such Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys, Government Obligations on deposit with the Trustee for the payment of interest on such Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Bonds in order to satisfy the second sentence of the preceding paragraph, the Trustee shall, if requested, by the Issuer, pay the amount of such excess to the Issuer free and clear of any trust, pledge, lien, encumbrance or security interest securing the Bonds or otherwise existing under the Resolution.

Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable either at their stated maturity dates or earlier

Redemption Dates or for two (2) years after the date of deposit of such moneys if deposited with the Trustee, after the said date when such Bonds became due and payable, shall, at the written request of the Issuer, be repaid by the Trustee to the Issuer, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds. Before being required to make any such payment to the Issuer, the Trustee shall, at the expense of the Issuer, (i) cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, and (ii) cause to be mailed postage prepaid to each registered owner of Bonds then Outstanding at his or her address, if any, appearing upon the registry books of the Issuer, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication or mailing of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

(Section A-1104)

Certain Provisions Relating to Economic Defeasance

Any Bonds of any Series for which prior to the maturity or Redemption Date thereof, the Issuer shall have given to the Trustee or other fiduciary selected by the Issuer in form satisfactory to it irrevocable instructions to maintain on deposit in a Fund or account held by the Trustee or other fiduciary selected by the Issuer established for such purpose for the benefit of the Holders of such Bonds, Investment Obligations, other than Government Obligations, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee or other fiduciary selected by the Issuer at the same time, as verified in the report of a firm of certified public accountants, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, shall not be counted as Outstanding under the Standard Resolution Provisions solely for the purpose of the calculation of Calculated Debt Service required under the Standard Resolution Provisions.

(Section A-1105)

Evidence of Signatures of Bondholders and Ownership of Bonds

Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Issuer, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Issuer or any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer, the Trustee or any Paying Agent in accordance therewith except as otherwise provided in the Standard Resolution Provisions.

(Section A-1201)

Moneys Held for Particular Bonds

The amounts held by the Trustee or any Paying Agent for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto and for the purposes of the Resolution such principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bonds, due after such date thereof, consistent with the provisions of the Standard Resolution Provisions, shall no longer be deemed to be Outstanding.

(Section A-1301)

General Regulations as to Moneys and Funds

Each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

All amounts of the Issuer held or set aside under the Resolution shall, until paid over to the Fiduciaries or otherwise invested or applied as provided in the Resolution, be deposited by the Issuer in its name, on demand or time deposit, in such Banks as shall be selected by the Issuer. Any amounts held by any Fiduciary under the Resolution shall be deposited in such Banks as the Issuer may select. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks on such deposit with the same force and effect as if it were not such Fiduciary, and without any duty to inquire into whether any withdrawals of such funds are in accordance with or might violate any of the provisions of the Resolution. Such deposits shall be continuously secured by the obligations of the United States of America or of the State, which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits, which obligations shall be segregated in trust for the account of the Issuer, or shall be otherwise held as the Issuer and the depository may agree. Securities deposited with the Federal Reserve Bank to secure all trust accounts of a depository shall be deemed to comply with the foregoing requirement.

Unless otherwise specified in a Supplemental Resolution authorizing the issuance of Bonds, all money held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer and acceptable to such Fiduciary, on time deposit, and all such deposits shall be continuously secured by the obligations of the United States of America or of the State which obligations shall have a market value (exclusive of accrued interest) at all times at least equal to the amount of such deposits. Securities deposited with the Federal Reserve Bank to secure all trust accounts of the Fiduciary shall be deemed to comply with the foregoing requirement. Such Fiduciary shall allow and credit on such money such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(Section A-1302)

Preservation and Inspection of Documents

All documents received by the Trustee or any Paying Agent under the provisions of the Resolution or any Supplemental Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, the Trustee or any other Paying Agent, as applicable, and any Bondholder and their agents and their representatives; provided, however, that with respect to inspection by a Holder of a Bond of any Series a written request of such Bondholder must have been made and received by the Trustee at least five (5) Business Days prior to the date of inspection. The Issuer or its representatives may make copies of any such documents.

(Section A-1303)

Parties of Interest

Nothing in the Resolution or in any Supplemental Resolution, expressed or implied, is intended or shall be construed to confer upon, or give to, any person or party, other than the Issuer, the Trustee, any Paying Agent, the Holders of the Bonds, the Holders of Parity Reimbursement Obligations and the providers of Credit Facilities any right, remedy or claim under or by reason of the Resolution or any Supplemental Resolution or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in the Resolution or any Supplemental Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, the Paying Agents, the Holders of the Bonds, the Holders of Parity Reimbursement Obligations and the providers of Credit Facilities.

(Section A-1304)

No Recourse Under Resolution or on the Bonds

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer or employee of the Issuer in his or her individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price or interest on the Bonds or for any claim based thereon or on the Resolution against any member, officer or employee of the Issuer or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of a Bond by the acceptance of such Bonds.

(Section A-1305)

Publication of Notices

Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in different Authorized Newspapers.

(Section A-1306)

Successors and Assigns

Whenever in the Resolution the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in the Resolution contained by or on behalf of the Issuer shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

(Section A-1307)

Severability of Invalid Provisions

If any one or more of the covenants, stipulations, promises, agreements or obligations provided in the Resolution on the part of the Issuer, the Trustee or any Paying Agent to be performed should be determined by a court of final jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, agreement or agreements or obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations contained in the Resolution and shall in no way affect the validity of the other provisions of the Resolution.

(Section A-1308)

Other Resolutions

The Issuer expressly reserves the right to adopt one or more other bond resolutions and to issue bonds, bond anticipation notes, notes and other obligations thereunder without compliance with and not subject to the Standard Resolution Provisions.

(Section A-1309)

Survival of Particular Covenants

Notwithstanding that Bonds may no longer be Outstanding, the obligations of the Issuer (i) to pay amounts to any Fiduciary pursuant to the Standard Resolution Provisions shall remain in full force and effect until all such amounts are paid and (ii) to comply with the provisions of Section 505 of the Resolution in connection with any Tax-Exempt Bonds, with respect to the rebate to the Department of the Treasury of the United States of America of any Rebate Amount relating to the Bonds of a Series shall remain in full force and effect so long as the Issuer shall be required by the Code to rebate any such Rebate Amount.

(Section A-1310)

Actions by the Issuer

Any time the Issuer is permitted or directed to act pursuant to the Standard Resolution Provisions or a Supplemental Resolution, such action may be taken by an Authorized Officer of the Issuer except that the following actions may only be taken by resolution of the members of the Issuer: authorization and issuance of Bonds; adoption of resolutions; and modifications and amendments pursuant to the Standard Resolution Provisions. Any certificates of the Issuer to be delivered under the Resolution shall be executed by an Authorized Officer of the Issuer.

(Section A-1311)

Governing Laws

The Resolution, including the Standard Resolution Provisions, shall be governed by and interpreted in accordance with internal laws of the State, without regard to conflict of law principles thereof.

(Section A-1312)

Payments due on Other Than a Business Day

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be on a day that is not a Business Day, then payment of interest or principal and premium, if any, need not be made on such date but may be made (unless otherwise provided in a Supplemental Resolution without additional interest) on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, as the case may be.

(Section A-1313)

Effective Date

The Resolution shall take effect immediately.

(Section A-1314)

APPENDIX C

FORM OF FINANCING AGREEMENT

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APPENDIX C

FORM OF STATE PERSONAL INCOME TAX REVENUE BONDS FINANCING AGREEMENT (ECONOMIC DEVELOPMENT AND HOUSING)

STATE PERSONAL INCOME TAX REVENUE BONDS (ECONOMIC DEVELOPMENT AND HOUSING) FINANCING AGREEMENT (the "Financing Agreement"), dated as of March 25, 2003, as amended by First Amendment dated as of March 10, 2005, by and between the New York State Housing Finance Agency, a corporate governmental agency of the State of New York (the "Issuer"), and the State of New York (the "State"), acting by and through the Director of the Budget of the State (the "Director of the Budget").

WHEREAS, the Issuer has, pursuant to the New York State Housing Finance Agency Act (being Article III of the Private Housing Finance Law, Chapter 44-B of the Consolidated Laws of the State, as amended and supplemented) (the "Issuer Act") and Article 5-C of the State Finance Law, as may be hereafter amended from time to time (the "Enabling Act", which together with the Issuer Act is referred to herein as the "Acts"), adopted its State Personal Income Tax Revenue Bonds (Economic Development and Housing) General Bond Resolution on February 6, 2003 (including Annex A thereto, as amended and supplemented), and various Supplemental Resolutions (collectively, the "Resolution") for the purpose of issuing from time to time one or more series of bonds (the "Bonds"), notes or other obligations to be secured by this Financing Agreement, as may be amended or supplemented from time to time, with the State; and

WHEREAS, in order to assist the Issuer in the financing of one or more authorized purposes as provided in the Enabling Act ("Authorized Purposes") pursuant to applicable law and in consideration of the benefits to be derived therefrom by the people of the State, the Director of the Budget, acting on behalf of the State, is authorized to enter into one or more Financing Agreements with the Issuer whereunder the State agrees, subject to the making of annual appropriations therefor by the State Legislature, to make annual payments to the Issuer, and authorize the Issuer to pledge and assign the State payments to be made as security for Bonds or other obligations which the Issuer may issue or incur in order to finance Authorized Purposes; and

WHEREAS, the State and the Issuer agree that their mutual public purposes and their best interests will be promoted by the execution of this Financing Agreement, as the same may be modified, supplemented or amended from time to time; and

WHEREAS, the Issuer Board authorized its Authorized Officer to enter into, execute and amend this Financing Agreement;

NOW, THEREFORE, the parties mutually agree as follows:

I. ISSUANCE OF BONDS BY THE ISSUER

1.1 The State agrees that the Issuer may, subject to the provisions of this Financing Agreement and the Acts, issue one or more Series of its State Personal Income Tax Revenue Bonds (Economic Development and Housing), secured by this Financing Agreement and the payments to be made by the State as herein provided. The Bonds shall be issued in such principal amounts and at such times so that the Issuer may realize from the sale thereof net proceeds sufficient to fund Authorized Purposes having a cost not in excess of the amount specified by applicable law. The State recognizes that in order to realize net proceeds in the aforesaid amounts from the sale of Bonds, the Issuer may also issue Bonds in amounts sufficient to pay Costs of Issuance, and the amount of capitalized interest, if any, included in the issuance and sale of the Bonds.

1.2 The Bonds issued by the Issuer pursuant to the provisions of Section 1.1 hereof shall be subject to the following conditions and limitations:

(a) The Resolution shall have been approved by the Issuer Board in accordance with the Acts.

(b) Unless the Issuer and the State shall otherwise agree (and any such agreement may include, among other things, the agreement of the State to pay or to reimburse the Issuer in the manner set forth in the Resolution for any additional fees, costs and expenses incurred in connection with the issuance and administration of Variable Interest Rate Bonds or costs and expenses relating to a Qualified Swap, including without limitation, the fees, costs and expenses of any provider of a Credit Facility, except to the extent any such fees, costs or expenses are deemed costs and expenses incurred in connection with the issuance and sale of such Variable Interest Rate Bonds for purposes of Section 1.1 of this Financing Agreement and are paid from Bond proceeds), each Bond shall bear a fixed rate of interest determined at the time of its issuance, which rate of interest shall not be subject to change or adjustment prior to the scheduled maturity of such Bond.

(c) Unless the Issuer and the State shall otherwise agree, the aggregate amount of principal, principal installments and interest payable in each State Fiscal Year during which principal payments or installments are made or provided for shall, with respect to each Series of Bonds (other than Variable Interest Rate Bonds), or the aggregate of all Bonds (not including Variable Interest Rate Bonds), as the Issuer shall elect, be as nearly equal as practicable.

1.3 The Issuer agrees that prior to its issuance of any Bonds it will inform the Director of the Budget of the approximate date on which it anticipates entering into a bond purchase agreement or other binding commitment with the prospective underwriters or purchasers of such Bonds and of the estimated interest rate or rates thereof. If the Director of the Budget shall request the Issuer to postpone the sale of such Bonds, or if the Issuer shall for any reason determine to defer the issuance and sale of any Bonds, the Issuer may, in accordance with the provisions of the Resolution, issue and sell State Personal Income Tax Revenue (Economic Development and Housing) Bond Anticipation Notes ("BANs") in such principal amount so that the Issuer may realize from the sale thereof an amount not exceeding the aggregate of (i) an amount equal to the net proceeds available for Costs of a Project which the Issuer would have realized from the sale of the Bonds in anticipation of which the BANs are issued (or, in the case of renewal BANs, an amount necessary to pay the outstanding BANs in full), (ii) an amount sufficient to pay interest on the BANs until their scheduled maturity and (iii) an amount equal to Issuer Expenses incurred and to be incurred in connection with the issuance and sale of the BANs. Unless the State shall pay to the Issuer an amount sufficient to pay the BANs at their maturity or upon an earlier redemption date in accordance with their terms, the State shall, in accordance with Section 5.1 hereof, timely furnish such information to the Issuer as shall be deemed necessary by the Issuer in order to enable it to disseminate an official statement and issue the Bonds in anticipation of which the BANs had been issued on or prior to the scheduled maturity or redemption date of the BANs. Notwithstanding the provisions of Section 1.1 hereof, in the event the Issuer shall issue BANs as herein provided, the Issuer (i) may issue Bonds in such principal amounts and at such times so that the Issuer may realize from the sale thereof net proceeds sufficient to pay or redeem such BANs in accordance with their terms, and (ii) may use and pledge the proceeds from the sale of the Bonds in anticipation of which the BANs had been issued for and to the payment of such BANs and related Issuer Expenses in accordance with the Resolution.

1.4 The Issuer and the State agree that this Financing Agreement is executed in part in order to induce persons to purchase the Bonds to be issued to finance Authorized Purposes and for the purposes of securing such Bonds and, accordingly, all of the covenants and agreements on the part of the Issuer and the State set forth in this Financing Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds. Accordingly:

(a) The Issuer may pledge, assign, or transfer the right to receive and collect Financing Agreement Payments from moneys on deposit and paid from the Revenue Bond Tax Fund and other sources authorized under Section 68-b, together with the Issuer's rights to enforce this Financing Agreement, and from and after such pledge, assignment, or transfer, such assignee shall have the Issuer's rights and privileges hereunder to the extent, and as conferred, in such pledge, assignment, and transfer and as further provided in the Resolution.

(b) In connection with the State's exercise of its right under Section 68-c and under the Resolution, upon the amendment of the State Constitution allowing the issuance or assumption of bonds, notes or other obligations secured by revenues, which may include the Revenues securing the Bonds, (i) to assume, in whole or part, the Bonds, (ii) to extinguish the existing lien of such Resolution, and (iii) to substitute security for the Bonds, in each case only so long as such assumption, extinguishment or substitution is completed in accordance with such Resolution, the Issuer may make such pledge, assignment and transfer set forth in paragraph (a) above to such successor entity, as provided by law. Upon completion of such assumption, extinguishment or substitution, the Issuer shall no longer be obligated under this Financing Agreement or under the Resolution.

1.5 Each Series of Bonds or other obligations issued pursuant to the Acts and the Resolution shall be enumerated in a schedule appended to this Agreement. It shall be sufficient, with the approval of the parties hereto, in connection with the issuance by the Issuer of Bonds or other obligations to cause a supplemental schedule to be certified by the Director of the Budget with the same force and effect as if incorporated herein. The foregoing provisions shall be applicable, subject to the Resolution, to the issuance of Subordinated Indebtedness or other obligations under the Resolution and the Acts.

II. DUTIES OF AND PAYMENTS BY THE STATE

2.1 No later than thirty (30) days after the submission of the executive budget in accordance with Article VII of the State Constitution, the Director of the Budget shall prepare a certificate setting forth the amount of monthly receipts anticipated to be deposited in the Revenue Bond Tax Fund during the fiscal year beginning April first of that year together with the monthly amounts necessary to be set aside from the receipts of such Fund, as shall be sufficient to meet the total cash requirements of the Issuer during such fiscal year, based on information that shall be provided by the Issuer and in the manner required by Section A-607 of the Resolution.

The Director of the Budget may revise such certification at such times as necessary, provided, however, that the Director of the Budget shall (i) promptly revise such certification if additional amounts are necessary to meet the cash requirements of the Issuer and (ii) as necessary, revise such certification not later than thirty (30) days after the issuance of any Bonds, including Refunding Bonds, and after the adoption of any Parity Reimbursement Obligation, Reimbursement Obligation, Qualified Swap, Subordinated Indebtedness or other financial arrangement affecting the cash requirements of the Issuer and as authorized by the Resolution.

2.2 (a) Subject to the provisions of Section 2.7 hereof, the State agrees to pay to the Trustee, on behalf of the Issuer, no later than five Business Days prior to the time payment is required to be made to Holders of the Bonds or holders of Parity Reimbursement Obligations or other obligations in any year for which the Issuer shall have Bonds Outstanding or Parity Reimbursement Obligations or other obligations outstanding, a sum of money constituting Financing Agreement Payments equal to the amount necessary to provide for the payment of the principal of (including Mandatory Sinking Fund payments) and interest on the Bonds or amounts due on any Parity Reimbursement Obligations or other obligations coming due on the next succeeding Bond payment date, as certified in writing by an Authorized Officer of the Issuer to the Director of the Budget. Such Financing Agreement Payments shall include Issuer Expenses, as certified by such Authorized Officer, with the concurrence of the Director of the Budget, and amounts due on any Subordinated Indebtedness or other obligations incurred under the Resolution, to the Director of the Budget.

(b) In the event any Bonds, Parity Reimbursement Obligations or other obligations shall bear interest at other than a fixed interest rate, the State shall pay interest as follows: (i) the amount accrued at the actual rate or rates borne, to the extent such rate or rates are known in advance of the Bond payment date, plus; (ii) if necessary, an amount accrued at the Estimated Average Interest Rate through the next scheduled Bond payment date, less; (iii) any amount paid pursuant to (ii) relating to the preceding Bond payment date in excess of the amount paid to Bondholders and holders of Parity Reimbursement Obligations or other obligations through such preceding Bond payment date.

2.3 (a) The State may, at any time in its sole discretion, choose to prepay all or any part of the payments payable under Section 2.2 hereof. Any amounts so prepaid shall be credited to the payments to be made by the State under Section 2.2 hereof.

(b) The State may, at any time in its sole discretion, make payments to the Issuer for the purpose of (i) directly funding Authorized Purposes which will not be funded with the proceeds of Bonds; (ii) paying BANs at their maturity or earlier redemption date, as provided in Section 1.3 hereof; (iii) redeeming Bonds pursuant to the exercise by the Issuer of any option it may have under the Resolution; and (iv) defeasing Bonds or BANs prior to their maturity or redemption date as permitted by and in accordance with the procedures for defeasance set forth in the Resolution or otherwise. Any payments made by the State to the Issuer for the purposes set forth in this subsection shall, subject to the provisions of the Resolution, be applied by the Issuer to such purpose, and, if so directed herein or in the Resolution, shall be deposited in a Fund or account established under the Resolution or set aside with the Trustee, if any, or the Paying Agent as provided herein or in the Resolution.

2.4 The State further agrees upon request of the Issuer to pay all amounts constituting Financing Agreement Payments (i) which may become due to any provider of a Credit Facility in connection with a Credit Facility which may have been obtained if and to the extent such obligation arises as a result of the State's failure to make any payment pursuant to Section 2.1 hereof and (ii) which may become due pursuant to any agreement relating to a Parity Reimbursement Obligation, Reimbursement Obligation, Qualified Swap or the issuance of Variable Interest Rate Bonds as contemplated by Section 1.2(b) of this Financing Agreement.

2.5 The State agrees to pay to the Issuer such amounts (constituting Financing Agreement Payments) as may be necessary in order for the Issuer to maintain the exclusion from gross income of interest on Bonds issued as Tax-exempt Bonds under the Code, including without limitation, amounts required to be paid by the Issuer to the United States as rebate of investment earnings and amounts required to be deposited by the Issuer in a yield restricted sinking fund, at such times as the Issuer deems necessary to maintain such exclusion.

2.6 The State agrees that, subject to the provisions of Section 2.7 hereof, its obligation to make the payments provided for in this Financing Agreement shall be absolute and unconditional, without any rights of set-off, recoupment or counterclaim the State may have against the Issuer or any other person or entity having an interest in this Financing Agreement or the payments made hereunder.

2.7 Notwithstanding anything in this Financing Agreement to the contrary (i) the obligation of the State acting by and through the Director of the Budget to make any Financing Agreement Payments required to be paid under this Financing Agreement is subject to annual appropriation by the State Legislature; and (ii) the obligation of the State acting by and through the Director of the Budget to pay any Financing Agreement Payments hereunder shall not constitute a debt of the State within the meaning of any constitutional or statutory provisions and shall be deemed executory only to the extent of monies available and no liability shall be incurred by the State beyond the moneys available for that purpose. Furthermore, this Financing Agreement does not constitute a debt of the State or a contractual obligation in excess of the amounts appropriated therefore and the State has no continuing legal or moral obligation to appropriate moneys for any Financing Agreement Payment due hereunder.

2.8 The term of this Financing Agreement shall continue until all Bonds or other obligations incurred under the Resolution, have been paid at maturity or the debt service on such Bonds or other obligations has been provided for and the Bonds are no longer Outstanding under the Resolution and the State has fulfilled all its obligations under this Agreement.

III. DUTIES OF THE ISSUER

3.1 The Issuer agrees to issue the Bonds for the purpose of carrying out the provisions of the Resolution and the Acts.

3.2 The Issuer agrees to apply the proceeds derived from the sale of the Bonds and from Financing Agreement Payments in accordance with the applicable provisions of the Resolution and the Acts.

3.3 Upon the issuance of the Bonds, the provisions of the Resolution relating to all Funds and accounts and the application and investment thereof shall apply.

3.4 No later than ten (10) Business Days after the issuance of Bonds or any other obligation under the Resolution, the Issuer shall furnish to the Director of the Budget a schedule of the Financing Agreement Payments, including debt service to be made on each date with respect to such Bonds or other obligations and related Issuer Expenses. Interest on Bonds or other obligations bearing interest at other than a fixed rate shall be calculated using the Estimated Average Interest Rate.

3.5 Upon payment to the Issuer of the amount required therefore and the State's direction to the Issuer to do so, the Issuer shall exercise any option it may have under the Resolution to redeem all or any portion of the Bonds, and the Issuer shall deposit into the Debt Service Fund all payments received from the State and designated for such purpose.

3.6 In addition to the duties of the Issuer with respect to the statutory audit powers granted the State, the Issuer agrees to keep or cause to be kept accounts and records which clearly identify the purposes for which moneys received by the Issuer (including Bond proceeds) pursuant to this Financing Agreement have been expended. The Issuer agrees to submit annual financial reports to the State within ninety (90) days after the end of each Issuer fiscal year during which this Financing Agreement is in force. The Issuer agrees to make available for inspection by the State its accounts and records as may be determined necessary or desirable by the State.

3.7 During each year the Issuer shall have Outstanding Bonds or other obligations outstanding under the Resolution, the Issuer shall, no later than October first, certify in writing to the Director of the Budget the schedule of anticipated cash requirements due from the State pursuant to Sections 2.1, 2.2, 2.4 and 2.5 of this Financing Agreement for the next State Fiscal Year, and for the four State Fiscal Years following such Fiscal Year, in such detail as the Director of the Budget may require.

Any such schedule of anticipated cash requirements shall set forth any amounts held in Funds or accounts under the Resolution and available for a credit against such Financing Agreement Payment requirements as provided in this Financing Agreement. In calculating the amount of anticipated cash requirements with respect to Qualified Swaps, the Issuer shall include an amount not less than eighteen percent (18%) of the aggregate notional amount of all Qualified Swaps then in effect (or such other percentage as may be agreed to by the Issuer and the State from time to time).

3.8 Any moneys received by the Issuer from a Qualified Swap Provider shall be deposited in the Debt Service Fund.

3.9 In order to allow the Director of the Budget to comply with his or her obligations under the Enabling Act or the Resolution, the Issuer, upon the request of the Director of the Budget, shall provide to the Director current cash requirements relating to Finance Agreement Payments due to the Issuer.

3.10 The Issuer agrees, upon request of the State, to use its best efforts to issue Bonds to refund or otherwise repay, in accordance with the terms of the Resolution, all or any portion of Outstanding Bonds or Prior Obligations. Such Refunding Bonds shall be deemed Bonds for all purposes of this Financing Agreement, except that, notwithstanding the provisions of Section 3.1 hereof, the net proceeds derived from the sale of such Refunding Bonds shall be used by the Issuer to pay or provide for the payment of the Bonds or Prior Obligations to be refunded or repaid and Issuer Expenses.

3.11 When all Bonds issued under the Resolution and all other obligations incurred under the Resolution have been paid or deemed paid within the meaning of the Resolution, the Issuer shall promptly remit or cause to be remitted to the State any moneys remaining in any of the Funds and accounts not required for the payment or redemption of Bonds or other obligations not theretofore surrendered for such payment or redemption (all after transfer of any necessary moneys to the Rebate Fund). Any moneys or investments paid by the State to the Issuer or the Trustee or other fiduciary for the purposes of economically defeasing Bonds, shall be held for such purpose for the benefit of the Holders of such Bonds in accordance with the instructions of the Director of the Budget, consistent with the terms of the Resolution.

IV. PLEDGE AND ASSIGNMENT

4.1 The State hereby consents to the pledge and assignment by the Issuer to the Holders of any of its Bonds, or to any trustee acting on their behalf, of all or any part of the benefits or rights of the Issuer herein, and to the holders or trustees of other obligations issued under the Resolution, of the payments by the State as provided herein and of the Funds and accounts established under the Resolution (except for the Rebate Fund and other Funds as provided in the Resolution).

V. SPECIAL COVENANTS

5.1 The State agrees that whenever requested by the Issuer, with reasonable advance notification, it shall provide and certify information concerning the State and various other related entities (i) for publication in an official statement, placement memorandum or other similar disclosure document relating to the sale or issuance of the Bonds or other obligations under the Resolution, and (ii) necessary to allow the Issuer to make undertakings or contractual commitments which would permit underwriters or dealers to comply with federal securities law including, without limitation, the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. Such information shall be in the standard format utilized for State issuances. The State also agrees to make available any information necessary to enable the Issuer to make any reports required by law or government regulations in connection with the Bonds or other obligations under the Resolution.

5.2 Neither the Issuer nor the State will terminate this Financing Agreement for any cause including, without limiting the generality of the foregoing, an Event of Default by either party, any acts or circumstances which may constitute failure of consideration or frustration of purpose or the failure of either party to perform and observe any duty, liability or obligation arising out of or connected with this Financing Agreement.

5.3 Subject to the limitations contained in the Resolution, the State and the Issuer reserve the right to amend, modify or rescind this Financing Agreement or any Supplemental Agreement in any manner; provided that no such amendment, modification or recission shall materially adversely affect the interest of the Holders of Bonds or holders of Parity Reimbursement Obligations or other obligations. Specifically, and without limiting the generality of the foregoing, this Financing Agreement may be amended or modified (i) to provide for additional payments to the Issuer, (ii) to provide for modified payment provisions, including timing thereof, consistent with the provisions of the Resolution in connection with the issuance of Bonds, Parity Reimbursement Obligations or other obligations (iii) to cure any ambiguity or (iv) to correct or supplement any provisions contained in this Financing Agreement which may be defective or inconsistent with any other provisions contained herein. For the purposes of this Section, Bonds, Parity Reimbursement Obligations or other obligations shall be deemed to be materially adversely affected by an amendment, modification or recission of this Financing Agreement, if the same materially adversely affects or diminishes the rights of the Holders of the Bonds, holders of Parity Reimbursement Obligations or other obligations or any provider of a Credit Facility. The Issuer may in its discretion determine whether or not, in accordance with the foregoing provision, Bonds, Parity Reimbursement Obligations or other obligations would be materially adversely affected by any amendment, modification or recission, and such determination shall be binding and conclusive on the State, Bondholders, holders of Parity Reimbursement Obligations or other obligations, the Trustee and the provider of a Credit Facility.

5.4 The State acknowledges and agrees that, in the event of any conflict between any of the provisions of this Financing Agreement and any of the provisions of the Resolution, the provisions of the Resolution shall be controlling; provided, however, that neither the Resolution nor any supplement or amendment thereto shall purport to limit or supersede the provisions set forth in Section 2.7 hereof.

5.5 The State, acknowledges and agrees that moneys in the Funds and accounts established under the Resolution may be invested in Investment Obligations authorized by the Resolution and that the Issuer may restrict such investments, or the yield to be realized therefrom, as it may deem necessary or appropriate in order to maintain the exclusion from gross income of interest on the Bonds issued as Tax-Exempt Bonds under the Code. Investment earnings shall be applied as permitted by the Resolution.

5.6 The State, to the extent authorized by law, shall indemnify and save harmless the Issuer from and against any and all liability, loss, damage, interest, judgments and liens growing out of, and any and all costs and expenses (including, but not limited to, counsel fees and disbursements) arising out of or incurred in connection with any and all claims, demands, suits, actions or proceedings which may be made or brought against the Issuer arising out of any determinations made or actions taken or omitted to be taken or compliance with any obligations under or pursuant to the Enabling Act, including the issuance, incurrence and delivery of Bonds, BANs, Parity Reimbursement Obligations, Subordinated Indebtedness or other obligations under the Resolution.

5.7 The State agrees to request appropriations during the term of this Financing Agreement in an amount at least equal to the amounts certified to by the Issuer pursuant to Section 3.7 of this Financing

Agreement. The State also agrees to request appropriations during the term of all financing agreements entered into with all Authorized Issuers pursuant to the Enabling Act in amounts at least equal to the amounts certified by each Authorized Issuer pursuant to such financing agreements and to meet its other obligations under such financing agreements.

VI. EVENTS OF DEFAULT BY THE STATE AND REMEDIES

6.1 If for any reason, other than a failure by the State Legislature to appropriate moneys for such purpose, the State shall fail to pay when due any Financing Agreement Payments, or shall fail to observe or perform any other covenant, condition or agreement on its part to be observed or performed, the Issuer shall, if such default has not been cured, have the right to institute any action in the nature of mandamus or take whatever action at law or in equity may appear necessary or desirable to collect the payments then due or thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the State hereunder.

6.2 The remedies conferred upon or reserved to the Issuer under Section 6.1 hereof in respect of any default described therein are not intended to be exclusive of any other available remedy or remedies and shall be in addition to every other remedy now or hereafter existing at law or in equity; provided, however, that such remedy or remedies may in no event include a termination of this Financing Agreement, nor may they include any amendment, change, modification or alteration of this Financing Agreement that is prohibited by Section 5.2 or 5.3 hereof.

6.3 The State shall promptly notify the Issuer in writing that an Event of Default has occurred under the Resolution, including any events of default under resolutions or financing agreements of any Authorized Issuer related to obligations authorized by the Enabling Act. The State also agrees that upon the occurrence of an Event of Default, or event of default described in the preceding sentence, funds available through appropriation from the Revenue Bond Tax Fund will be available on an equitable basis among Authorized Issuers under the Enabling Act.

VII. EVENTS OF DEFAULT BY THE ISSUER AND REMEDIES

7.1 If the Issuer shall fail to observe or perform any covenant, condition or agreement contained in this Financing Agreement or the Resolution on its part to be observed or performed and such failure to observe or perform shall have continued for sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Issuer by the State, the State shall, if the default has not been cured, have the right to institute an action in the nature of mandamus or take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the Issuer hereunder.

7.2 The remedies conferred upon or reserved to the State under Section 7.1 hereof in respect of any default described therein are not intended to be exclusive of any other available remedy or remedies and shall be in addition to every other remedy now or hereafter existing at law or in equity; provided, however, that such remedy or remedies may in no event include a termination of the Financing Agreement or of the obligations of the State to make the payments provided for in Article II hereof, nor may they include any amendment, change, modification or alteration of this Financing Agreement that is prohibited by Section 5.2 or 5.3 hereof.

VIII. MISCELLANEOUS

8.1 The revenues, facilities, properties and any and all other assets of the Issuer of any name and nature, other than the Pledged Property, may not be used for, or as a result of any court proceedings or otherwise applied to, the payment of Bonds, any redemption premium therefore or the interest thereon or any other obligations under the Resolution, and under no circumstances shall these be available for such purposes.

8.2 The waiver by either party of a breach by the other shall not be deemed to waive any other breach hereunder nor shall any delay or omission to exercise any right or power upon any default impair any such right or power or be construed as a waiver thereof.

8.3 In the event any provision of this Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8.4 All notices provided for in this Financing Agreement shall be in writing and shall be delivered personally to or sent by certified or registered mail to the respective offices of the State and the Issuer as follows:

If to the State:	Director of the Budget State of New York Executive Department Division of the Budget State Capitol, Room 113 Albany, New York 12224
If to the Issuer:	New York State Housing Finance Agency 641 Lexington Avenue New York, New York 10022 Attention: President and Chief Executive Officer

The Issuer or the State may from time to time designate in writing other representatives with respect to receipt of notices.

8.5 This Financing Agreement, including any schedules referred to in Section 1.5, represents the entire agreement between the parties. It may not be amended or modified otherwise than by a written instrument executed by both parties. Such amendments shall not be contrary to the provisions of Section 5.2 or 5.3 hereof.

8.6 Nothing in this Financing Agreement shall be construed to confer upon or to give to any person or corporation other than the State, the Issuer, a Holder of any Bonds, a holder of other obligations under the Resolution, or any trustee acting under the Resolution, any right, remedy or claim under or by reason of this Financing Agreement or any provision thereof.

8.7 This Financing Agreement shall be construed and interpreted in accordance with the laws of the State of New York and any suits or actions arising out of this Financing Agreement shall be instituted in a court of competent jurisdiction in the State.

8.8 This Financing Agreement may be executed in several counterparts, each of which shall be deemed to be an original but such counterparts together shall constitute one and the same instrument.

8.9 Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Resolution.

IN WITNESS WHEREOF, the State has caused this Financing Agreement to be executed in its name by the Director of the Budget and the Issuer has caused this instrument to be signed by its Authorized Officer all as of the date and year first above written.

Approval as to form: Attorney General	State of New York
By:______________________________	______________________________ for the Director of the Budget
Date:	
Approved:	New York State Housing Finance Agency
______________________________ for the State Comptroller	______________________________ President and Chief Executive Officer
Date:	

APPENDIX D

EXECUTED COPY OF MASTER CONTINUING DISCLOSURE AGREEMENT

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NEW YORK STATE PERSONAL INCOME TAX REVENUE BONDS

MASTER CONTINUING DISCLOSURE AGREEMENT

THIS MASTER CONTINUING DISCLOSURE AGREEMENT dated as of May 1, 2002, as amended and restated as of July 1, 2009, as of December 1, 2010, and as of June 10, 2019 (as so amended and restated, the "Agreement"), is made by and among each Authorized Issuer, the State, and the respective Trustees, each as defined below in Section 1.

In order to permit the Underwriters of each series of Bonds issued from and after the date hereof to comply with the provisions of Rule 15c2-12, each of the parties hereto (as applicable), in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree, for the sole and exclusive benefit of the Holders and, for the purposes of Section 5, the beneficial owners of Bonds, as follows:

SECTION 1. Definitions; Rules of Construction. (i) Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Authorizing Document."*Annual Information*" shall mean the information specified in Section 3.

"*Authorized Issuer*" shall mean, individually, the Dormitory Authority of the State of New York, the New York State Environmental Facilities Corporation, the New York State Housing Finance Agency, the New York State Thruway Authority, and the New York State Urban Development Corporation, each a public corporation or a public benefit corporation of the State of New York that is designated as an Authorized Issuer under the Enabling Act, and any successors thereto or any other public benefit corporation of the State of New York which may be authorized from time to time by the Enabling Act to issue Bonds.

"*Authorizing Document*" shall mean the applicable Authorized Issuer's State Personal Income Tax Revenue Bond General Resolution, including Annex A thereto, as supplemented and amended from time to time.

"*Bonds*" shall mean all of the State Personal Income Tax Revenue Bonds issued from time to time by Authorized Issuers and outstanding pursuant to the applicable Authorizing Document.

"*Comptroller*" shall mean the Comptroller of the State of New York.

"*Director*" shall mean the Director of the Budget of the State of New York.

"*DOB*" shall mean the Division of the Budget of the State of New York.

"*EMMA*" shall mean the Electronic Municipal Market Access system described in Securities Exchange Act Release No. 34-59062 (or any successor electronic information system) and maintained by the MSRB as the sole repository for the central filing of electronic disclosure pursuant to Rule 15c2-12.

"*Enabling Act*" shall mean Article 5-C of the New York State Finance Law, Chapter 56 of the Consolidated Laws of the State of New York, as supplemented and amended from time to time.

"*GAAP*" shall mean generally accepted accounting principles as prescribed from time to time for governmental units in the United States by the Governmental Accounting Standards Board.

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

"*Holder*" or "*Bondholder*" shall mean a registered owner of any Bond or Bonds.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"*Rule 15c2-12*" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Agreement, including any official interpretations thereof promulgated on or prior to the effective date of this Agreement.

"*State*" shall mean the State of New York, acting by and through the Director or the Comptroller.

"*Trustee*" shall mean the applicable trustee appointed by the applicable Authorized Issuer pursuant to an Authorizing Document, and their respective successors and assigns.

"*Underwriters*" shall mean the underwriter or underwriters that have contracted to purchase one or more series of Bonds from an Authorized Issuer at initial issuance.

(ii) Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Any reference herein to a particular Section or subsection without further reference to a particular document or provision of law or regulation is a reference to a Section or subsection of this Agreement.

(c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

SECTION 2. Obligations to Provide Continuing Disclosure.

(i) <u>Obligations of the State and the Trustees</u>.

(a) The State, acting by and through the Director, hereby undertakes, for the benefit of Holders of the Bonds, to electronically file with the MSRB, no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending March 31, 2002, the Annual Information relating to such fiscal year.

(b) The State, acting by and through the Comptroller, hereby undertakes, for the benefit of the Holders of the Bonds, to electronically file with the MSRB, no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending March 31, 2002, audited financial statements of the State for such fiscal year; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be so provided and such audited financial statements shall be electronically filed with the MSRB if and when they become available.

(c) The Director and each Trustee shall notify the applicable Authorized Issuer upon the occurrence of any of the events listed in Section 2(ii)(a) promptly upon becoming aware of the occurrence of any such event. With respect to the foregoing, no Trustee shall be deemed to have become aware of the occurrence of any such event unless an officer in its corporate trust department becomes aware of the occurrence of any such event.

(ii) Obligations of each Authorized Issuer. Each Authorized Issuer hereby undertakes, for the benefit of Holders of the Bonds issued by it, to provide the following:

(a) to the MSRB in a timely manner not in excess of ten business days after the occurrence of any of the events listed below, notice of any of such events with respect to the Bonds issued by it:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) modifications to rights of security holders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

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

(11) rating changes;

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

(13) the consummation of a merger, consolidation or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

(15) incurrence of a financial obligation[1] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[1] of the obligated person, any of which reflect financial difficulties.

(b) to the MSRB, in a timely manner, notice of a failure by the State to comply with Section 2(i)(a) or (b).

(iii) (a) Termination or Modification of Disclosure Obligation. The obligations of the State hereunder may be terminated if the State is no longer an "obligated person" as defined in Rule 15c2-12; provided, however, that if the State has hereby obligated itself to provide information relating to any entity that thereafter continues to constitute such an "obligated person", obligations of the State to provide such information shall not be so terminated. Upon any such termination, the State shall so advise each Authorized Issuer and each such Authorized Issuer shall electronically file notice thereof with the MSRB.

(b) Other Information. Nothing herein shall be deemed to prevent the Authorized Issuers or the State from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Authorized Issuers or the State should disseminate any such additional information,

[1] In accordance with Rule 15c2-12, for purposes of the events identified in clauses (15) and (16) above, the term "financial obligation" means (i) debt obligation; (ii) derivative instrument entered into by the obligated person in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

neither the Authorized Issuers nor the State shall have any obligation hereunder to update such information or to include it in any future materials disseminated hereunder.

(c) Credit Enhancement. Each agreement governing the provision of a Credit Facility, if any, shall require the provider thereof to provide the applicable Authorized Issuer with prompt written notice of any change in the name, address, and telephone number of a place where then current information regarding such provider may be obtained. In addition, such agreement shall require each provider of a Credit Facility promptly to notify the applicable Authorized Issuer of a change in any rating relating to such provider that would affect the rating of the Bonds by any rating agency then rating the Bonds. The applicable Authorized Issuer shall promptly provide the Comptroller, the Director and the applicable Trustee with copies of all notices received by it under this Section 2(c). The provisions of this Section 2(c) shall also apply to each provider of a substitute Credit Facility.

(d) Disclaimer. Each of the Director, the Comptroller, the Authorized Issuers and the Trustees shall be obligated to perform only those duties expressly provided for such entity in this Agreement, and none of the foregoing shall be under any obligation to the Holders or other parties hereto to perform, or monitor the performance of, any duties of such other parties. Without limiting the general application of the foregoing, the Authorized Issuers shall be under no obligation to the Holders or any other party hereto to review or otherwise pass upon the Annual Information or the financial statements provided pursuant to Section 2(i), and its obligations hereunder shall be limited solely to the undertaking set forth in Section 2(ii) and to the requirements of Section 2(iii)(c) and Section 8.

(iv) MSRB Prescribed Identifying Information. All documents provided to the MSRB pursuant to this Agreement shall be accompanied by identifying information as prescribed from time to time by the MSRB.

SECTION 3. Annual Information.

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

(a) *financial information and operating data of the type included in the Official Statement for each series of Bonds, under the headings "PART 3 – "SECURITY AND SOURCES OF PAYMENT FOR STATE PERSONAL INCOME TAX REVENUE BONDS", and "PART 4 – SOURCES OF NEW YORK STATE PERSONAL INCOME TAX RECEIPTS FOR THE REVENUE BOND TAX FUND" which shall include information relating to the following*:

(1) a description of the personal income tax imposed by Article 22 of the New York State Tax Law, which shall include a description of the tax rates, the tax base and the components of the State personal income tax (unless the personal income tax has been materially changed or modified, in which case similar information about the changed or modified tax will be provided);

(2) a historical summary of the New York State Personal Income Tax Receipts, the Withholding Component, and deposits to the Revenue Bond Tax Fund for a period of at least the five most recent completed State fiscal years then available, together with an explanation of the factors affecting collection levels; and

(b) *financial information and operating data of the type included in the Annual Information Statement of the State set forth as an Appendix to, or incorporated by cross reference in, the Official Statement for the Bonds, under the headings or sub-headings "Prior Fiscal Years", "Debt and Other Financing Activities", "State Government Employment", "State Retirement Systems", and "Authorities and Localities",* including, more specifically, information consisting of:

(1) *for prior fiscal years*, an analysis of cash-basis results for the State's three most recent fiscal years, and a presentation of the State's results in accordance with GAAP for at least the two most recent fiscal years for which that information is then-currently available;

(2) *for debt and other financing activities*, a description of the types of financings the State is authorized to undertake, a presentation of the outstanding debt issued by the State and certain public authorities, as well as information concerning debt service requirements on that debt;

(3) *for authorities and localities,* information on certain public authorities and local entities whose financial status may have a material impact on the financial status of the State; and

(4) material information regarding State government employment and retirement systems; together with

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

(ii) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been electronically filed with the MSRB or filed with the Securities and Exchange Commission; provided, however, that if the document is an official statement, it shall have been electronically filed with the MSRB and need not have been filed elsewhere. The audited or unaudited financial statements of the State may be provided in the same manner.

(iii) Informational Categories. The requirements contained in this Agreement under Section 3(i) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(i) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

(iv) Providers of Credit Support. If known to the applicable Authorized Issuer, such Authorized Issuer shall inform the State, and the required Annual Information shall include the name, address and telephone number of a place where current information regarding each issuer of a Credit Facility may be obtained.

(v) Omnibus Annual Information Undertaking. The parties to this Agreement recognize, understand and agree that the information described in this Section 3 shall be set forth in the same manner in the respective Official Statements of each of the Authorized Issuers. Accordingly, a single electronic filing of the Annual Information with EMMA, shall be deemed to satisfy the Annual Information filing obligation created by this Agreement.

SECTION 4. Financial Statements.

The State's annual financial statements for each fiscal year shall be prepared in accordance with GAAP (unless applicable accounting principles are otherwise disclosed) and audited by an independent accounting firm in accordance with GAAS (but only if audited financial statements are otherwise available for such fiscal year).

SECTION 5. Remedies.

If any party hereto should fail to comply with any provision of this Agreement, then each of the other parties and, as a direct or third-party beneficiary, as the case may be, any Holder of Bonds may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided, however, that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of such party hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances; and provided further, that the rights of any Holder to challenge the adequacy of the information provided in accordance with Section 2 hereunder are conditioned upon the provisions of the Authorizing Document with respect to the enforcement of remedies of Holders upon the occurrence of an Event of Default described in Section A-1001(g) of the Authorizing Document as though such provisions applied hereunder. Each of the Director, the Comptroller, the applicable Authorized Issuer and the applicable Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure by any party to perform its obligations hereunder shall not constitute an Event of Default under the Authorizing Document or any other agreement executed and delivered in connection with the issuance of the Bonds. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to Section 6, beneficial owners shall be deemed to be Holders of Bonds for purposes of this Section 5.

SECTION 6. Parties in Interest.

This Agreement is executed and delivered solely for the benefit of the Holders of the Bonds and, for the purposes of Section 5, beneficial owners of Bonds. For the purposes of such Section 5, beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. No person other than those described in Section 5 shall have any right to enforce the provisions hereof or any other rights hereunder.

SECTION 7. Amendments.

(i) Without the consent of any Holders (except to the extent required under clause (c)(II) of this sentence) or provider of any Credit Facility, the Authorized Issuers, the State, and the Trustees at any time and from time to time may enter into amendments or changes to this Agreement for any purpose, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of one or more of the Authorized Issuers or the State or any type of business or affairs conducted by either; (b) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments to, or interpretation by the staff of the Securities and Exchange Commission of, Rule 15c2-12, as well as any change in circumstances; and (c) either (I) the amendment does not materially impair the interests of the Holders, as determined either by each of the Trustees or by a nationally recognized bond counsel approved by the State or (II) the Holders consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Authorizing Document with the consent of Holders pursuant to Section A-1003 of the Authorizing Documents. In determining whether there is such a material impairment, the Trustees may rely upon an opinion of a nationally recognized bond counsel approved by the State. The interests of Holders shall be deemed not to have been materially impaired by an amendment (1) to add a dissemination agent for the information to be provided hereunder and to make any necessary or desirable provisions with respect thereto, (2) to evidence the succession of another entity to the State, an Authorized Issuer or a Trustee and the assumption by any such successor to the obligations of such party hereunder, or (3) to add to the obligations of the State or any Authorized Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the State or any Authorized Issuer.

(ii) Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative. A notice of any such change in accounting principles shall be electronically filed with the MSRB.

SECTION 8. Termination.

This Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on all Bonds (in each case in this Section 8, "Bonds" shall refer to each series of Bonds, respectively) shall have been paid in full or all Bonds shall have otherwise been paid or defeased in accordance with the applicable Authorizing Documents (a "Legal Defeasance"); provided, however, that if Rule 15c2-12 (or any successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder. Upon any Legal Defeasance of a series of Bonds, the applicable Authorized Issuer shall electronically file with the MSRB notice of such defeasance, and such notice shall state whether the applicable series of Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption. Upon any other termination pursuant to this Section 8, the applicable Authorized Issuer shall electronically file with the MSRB notice of such termination.

SECTION 9. The Trustees.

(i) Except as specifically provided herein, this Agreement shall not create any obligation or duty on the part of any Trustee and no Trustee shall be subject to any liability hereunder for acting or failing to act as the case may be.

(ii) Each Trustee shall be indemnified and held harmless in connection with this Agreement, to the same extent provided in the applicable Authorizing Document for matters arising thereunder.

SECTION 10. Governing Law.

This Agreement shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

SECTION 11. Counterparts.

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

SECTION 12. Effective Date.

This Agreement, as amended and restated as of June 10, 2019 (primarily to incorporate the listed events described in clauses (15) and (16) of Section 2(ii)(a)), shall become effective with respect to the State, an Authorized Issuer and a trustee under an Authorizing Document, only as of the amended effective date of such party's execution of this Agreement by its duly authorized officer, as set forth on the following signature pages.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this amended and restated Master Continuing Disclosure Agreement as of the respective dates set forth below.

AUTHORIZED ISSUERS:

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: ______________________
Name: Portia Lee
Title: Managing Director

Amended Effective Date: June 10, 2019

NEW YORK STATE THRUWAY AUTHORITY

By: ______________________
Name: Matthew Howard
Title: Chief Financial Officer

Amended Effective Date: July 12, 2021

NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION

By: ______________________
Name:
Title:

Amended Effective Date: ____________

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development

By: ______________________
Name: Elaine A. Kloss
Title: Chief Financial Officer

Amended Effective Date: June 10, 2019

NEW YORK STATE HOUSING FINANCE AGENCY

By: ______________________
Name: **Mark Price**
Title: **Director of Capital Markets and Vice President - Debt Issuance**

Amended Effective Date: September 27, 2024

[Signature Page of Authorized Issuers of New York Personal Income Tax Revenue Bonds Master Continuing Disclosure Agreement]

THE STATE OF NEW YORK
Obligated Person

By: Thomas P. DiNapoli, Comptroller

By: ______________________________
Name: Robert B. Ward
Title: Deputy Comptroller

Amended Effective Date: June 10, 2019

By: Robert F. Mujica, Jr., Director of the Budget

By: ______________________________
Name: Robert F. Mujica, Jr.
Title: Director of the Budget

Amended Effective Date: June 10, 2019

[Signature Page of State Officials for State of New York Personal Income Tax Revenue Bonds Master Continuing Disclosure Agreement]

TRUSTEES:

U.S. BANK NATIONAL ASSOCIATION *Amended Effective Date: June 10, 2019*
as Trustee or successor Trustee for the benefit of Dormitory Authority of the State of New York Bondholders

By: ______________________
Authorized Signatory

THE BANK OF NEW YORK MELLON *Amended Effective Date: June 10, 2019*
as Trustee for the benefit of New York State Environmental Facilities Corporation Bondholders

By: ______________________
Authorized Signatory

U.S. BANK NATIONAL ASSOCIATION *Amended Effective Date: June 10, 2019*
as successor Trustee for the benefit of New York State Housing Finance Agency Bondholders

By: ______________________
Authorized Signatory

THE BANK OF NEW YORK MELLON *Amended Effective Date: June 10, 2019*
as Trustee for the benefit of New York State Thruway Authority Bondholders

By: ______________________
Authorized Signatory

THE BANK OF NEW YORK MELLON *Amended Effective Date: June 10, 2019*
as Trustee for the benefit of New York State Urban Development Corporation Bondholders

By: ______________________
Authorized Signatory

[Signature Page of Trustees for State of New York Personal Income Tax Revenue Bonds Master Continuing Disclosure Agreement]

APPENDIX E

PROPOSED FORM OF CO-BOND COUNSEL OPINIONS

Upon delivery of the 2024 Series A Bonds, Hawkins Delafield & Wood LLP and Pearlman & Miranda LLC, Co-Bond Counsel to the Agency, proposes to issue their legal opinions in substantially the following form:

October ___, 2024

New York State Housing
Finance Agency
641 Lexington Avenue
New York, New York 10022

Ladies and Gentlemen:

We, as co-bond counsel to the New York State Housing Finance Agency, a corporate governmental agency of the State of New York constituting a public benefit corporation (the "Agency"), have examined a record of proceedings relating to the issuance by the Agency of $____________ State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2024 Series A, consisting of $____________ State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2024 Series A-1 (the "2024 Series A-1 Bonds") and $____________ State Personal Income Tax Revenue Bonds (Economic Development and Housing), 2024 Series A-2 (the "2024 Series A-2 Bonds"; the 2024 Series A-1 Bonds and the 2024 Series A-2 Bonds being collectively referred to as the "2024 Series A Bonds").

The 2024 Series A Bonds are authorized to be issued pursuant to the New York State Housing Finance Agency Act, Article III of the Private Housing Finance Law, Chapter 44B of the Consolidated Laws of New York, as amended (the "Act"), Part I of Chapter 383 of the Laws of New York of 2001, as amended (the "Enabling Act"), the State Personal Income Tax Revenue Bonds (Economic Development and Housing) General Bond Resolution, adopted by the Agency on February 6, 2003 (the "General Resolution") and the 2024 Series A State Personal Income Tax Revenue Bonds (Economic Development and Housing) Series Resolution, adopted by the Agency on September 12, 2024 (the "2024 Series A Resolution"; the General Resolution and the 2024 Series A Resolution being collectively referred to as the "Resolution"). Capitalized terms used herein and not otherwise defined have the meaning ascribed to such terms in the Resolution.

The Agency has reserved the right to issue additional Bonds on the terms and conditions and for the purposes stated in the General Resolution. Under and subject to the terms of the General Resolution, the 2024 Series A Bonds and all Bonds hereafter issued under the General Resolution rank and will rank equally as to security and payment. In addition, all State Personal Income Tax Revenue Bonds issued pursuant to the Enabling Act by Authorized Issuers for Authorized Purposes are on a parity with each other as to payments from the Revenue Bond Tax Fund established by Section 92-z of the New York State Finance Law (the "Revenue Bond Tax Fund"), subject to annual appropriation by the New York State Legislature.

The 2024 Series A Bonds are being issued for the purpose of financing the 2024 Series A Mortgage Loans for the 2024 Series A Projects.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the 2024 Series A Bonds in order that interest on the 2024 Series A Bonds be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements may cause interest on the 2024 Series A Bonds to become subject to Federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance is ascertained. The Agency and the Mortgagors of the 2024 Series A Projects have covenanted to comply with certain provisions and procedures, pursuant to which the pertinent Code requirements can be satisfied.

Pursuant to the Enabling Act, neither the Agency nor the owners of the 2024 Series A Bonds have or will have a lien on the monies on deposit in the Revenue Bond Tax Fund. In addition, pursuant to the Enabling Act, nothing contained therein shall be deemed to restrict the right of the State of New York to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to Articles 22, 24 and 24-A of the New York State Tax Law.

We are of the opinion that:

(1) The Agency has been duly created and is validly existing under the Act and has the right, power and authority to adopt the Resolution, and the Resolution has been duly adopted by the Agency, is in full force and effect and is valid and binding upon the Agency and enforceable in accordance with its terms.

(2) The Resolution creates the valid pledge that it purports to create of the Pledged Property (including the monies and investments held in all funds and accounts established by the Resolution other than the Rebate Fund and certain other funds and accounts as provided in the Resolution), subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

(3) The 2024 Series A Bonds have been duly and validly authorized and issued by the Agency and are valid and binding special revenue obligations of the Agency, payable solely from the sources provided therefor in the Resolution.

(4) The 2024 Series A Bonds are not a debt of the State of New York, and the State of New York is not liable thereon, nor shall the 2024 Series A Bonds be payable out of funds of the Agency other than those pledged for the payment of the 2024 Series A Bonds.

(5) Under existing statutes and court decisions, (i) interest on the 2024 Series A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any 2024 Series A Bond for any period during which such 2024 Series A Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the 2024 Series A Bonds or a "related person," and (ii) interest on the 2024 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the 2024 Series A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Agency, the Mortgagors of the 2024 Series A Projects and others in connection with the 2024 Series A Bonds, and have assumed compliance by the Agency and such Mortgagors with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2024 Series A Bonds from gross income under Section 103 of the Code. [We are further of the opinion that, for any 2024 Series A Bonds having original issue discount ("OID") (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the 2024 Series A Bonds.]

(6) Under existing statutes, interest on the 2024 Series A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion as to any other Federal, state or local tax consequences arising with respect to the 2024 Series A Bonds, or the ownership or disposition thereof, except as stated in paragraphs 5 and 6 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding Federal, state or local tax matters, including, without limitation, exclusion from gross income for Federal income tax purposes of interest on the 2024 Series A Bonds.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the 2024 Series A Bonds and the Resolution may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed 2024 Series A-1 Bond and an executed 2024 Series A-2 Bond and, in our opinion, the forms of said Bonds and their execution are regular and proper.

Very truly yours,

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APPENDIX F

2024 PROJECT DESCRIPTIONS

Project Name (Construction/Adaptive Reuse/Rehabilitation)(1)	Address and County	Expected Completion Time of Construction or Rehabilitation	Mortgage Loan amount during construction or rehabilitation	Mortgage Loan Mandatory Prepayment	Permanent Mortgage Loan Amount	Permanent Loan Amortization Period(2)	Permanent Loan Maturity Date	First Voluntary Prepayment Date on Permanent Mortgage	Revenue Generating Units	Unit Set-Aside Breakdown at or below(3)								Subsidy Programs(4)	Expected Green Building Standard(s)(5)
										30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	90% AMI	100% AMI		
115 South Macquesten Parkway (New Construction)	115 South Macquesten Parkway, Mount Vernon, NY 10550 **(Westchester County)**	52 Months	$108,960,000	$70,780,000	$38,180,000	40 Years	12/1/2068	11/1/2041	314	-	29	59	164	-	46	16	-	MIHP NCP	ENERGYSTAR® Multifamily New Construction Program Leadership in Energy and Environmental Design (LEED)
Freedom Springs (New Construction)	64 Colvin Avenue Albany, NY 12206 **(Albany County)**	36 Months	$26,045,000	$16,270,000	$9,775,000	40 Years	8/1/2067	11/1/2041	118	-	-	72	22	-	24	-	-	CIF ESSHI SHOP	ENERGYSTAR® Multifamily New Construction Program Enterprise Green Communities Criteria HCR Stretch Sustainability Standards
Station Plaza (New Construction)	30 Water Street, Ossining, Westchester County, NY 10562 **(Westchester County)**	38 Months	$48,110,000	$34,000,000	$14,110,000	40 Years	10/1/2067	11/1/2041	108	11	13	14	32	17	21	-	-	NCP	Enterprise Green Communities Criteria HCR Stretch Sustainability Standards
White Plains Road Apartments (New Construction)	3663 White Plains Road Bronx, New York 10467 **(Bronx County)**	33 Months	$41,570,000	$34,615,000	$6,955,000	30 years	5/1/2057	11/1/2041	135	20	-	13	83	-	19	-	-	ESSHI HHAP HTF SHOP	ENERGYSTAR® Multifamily New Construction Program

Project Name (Construction/Adaptive Reuse/Rehabilitation)[1]	Address and County	Expected Completion Time of Construction or Rehabilitation	Mortgage Loan amount during construction or rehabilitation	Mortgage Loan Mandatory Prepayment	Permanent Mortgage Loan Amount	Permanent Loan Amortization Period[2]	Permanent Loan Maturity Date	First Voluntary Prepayment Date on Permanent Mortgage	Revenue Generating Units	Unit Set-Aside Breakdown at or below[3]								Subsidy Programs[4]	Expected Green Building Standard(s)[5]
Willow at the Ridgeway (Ridgeway VI) (New Construction)	23 Bishop W.J. Walls Place f.k.a. 8 Cottage Gardens Yonkers, NY 10701 **(Westchester County)**	34 Months	$40,160,000	$29,350,000	$10,810,000	30 years	6/1/2057	11/1/2041	92	31	-	29	32	-	-	-	-	CEI Section 8 SENIOR	ENERGYSTAR® Multifamily New Construction Program Enterprise Green Communities Criteria HCR Stretch Sustainability Standards Passive House Institute US (PHIUS)/Passive House Institute (PHI)

(1) Each 2024 Project is anticipated to meet the Agency's Minority and Women-owned Business Enterprise ("MWBE") and Service-Disabled Veteran-owned Business ("SDVOB") participation goals. Prior to closing of the applicable 2024 Mortgage Loan, a cost analysis will be completed to set the final levels of MWBE and SDVOB participation for the applicable 2024 Project. The ability of each 2024 Project to meet the applicable MWBE and SDVOB guidelines will not be verified until conversion of the applicable 2024 Mortgage Loan to a permanent Mortgage Loan. Failure to meet such guidelines could result in the assessment of liquidated damages against the applicable 2024 Project payable to the Agency. Any such liquidated damages payment will not be pledged to secure the 2024 Series A Bonds.

(2) The principal amount of each 2024 Mortgage Loan is calculated to amortize over the period set forth in this column, commencing at the completion of construction or rehabilitation. If the amortization period of such loan is longer than the maturity of the loan, then any amount amortizing after the maturity date is payable on the maturity date. The amortization period of each such 2024 Mortgage Loan is not longer than the maturity of such 2024 Mortgage Loan.

(3) Each 2024 Mortgagor will enter into a Regulatory Agreement with the Agency that requires a certain number of units in the applicable 2024 Project to be occupied by households with incomes at or below a specified percentage of AMI.

(4) Subsidy programs that provide ongoing subsidy payments for the applicable 2024 Projects include the Empire State Supportive Housing Initiative (ESSHI) program and the Federal Housing Assistance Payment Program (Section 8). Subsidy programs that provide financing for costs of construction or rehabilitation of the applicable 2024 Projects under various subordinate loan or other programs include the Clean Energy Initiative Program (CEI), the New York State Homeless Housing and Assistance Program (HHAP), the New Construction Program (NCP), the Senior Housing Program (SENIOR), the Federal Housing Trust Fund (HTF) AND the Supportive Housing Opportunity Program (SHOP).

(5) For a description of the green building standards, see "APPENDIX G—Green Standards—Agency Energy and Green Building Requirements." The failure to meet (or exceed) a particular standard is not a default under a 2024 Mortgage Loan.

The anticipated subsidy payment programs and/or subordinate loan programs for the 2024 Projects are described below.

Clean Energy Initiative Program (CEI). CEI provides subordinate financing for the new construction, adaptive reuse, or preservation of multifamily rental housing, to enable projects to achieve the HCR Stretch Sustainability Standards.

Rural and Urban Community Investment Fund (CIF). CIF supports retail, commercial or community facility components of mixed-use affordable housing developments in urban and rural communities statewide that serve the needs of housing residents. Eligible projects must have at least 70% of the units in the residential portion of the project affordable to households earning less than 90% AMI.

New York State Empire State Supportive Housing Initiative (ESSHI). The State's Empire State Supportive Housing Initiative provides on-going operational rental and service subsidies for affordable supportive housing. Financing is only available for families with a qualifying individual(s) and/or young adults who are both homeless and who are identified as having an unmet housing need and have one or more disabling conditions or other life challenges.

New York State Homeless Housing and Assistance Program (HHAP). The Homeless Housing and Assistance Program authorizes a program of State-funded grants or loans to acquire, construct or rehabilitate housing to expand the supply of housing for low-income persons who are, or would otherwise be, homeless. A homeless person is defined as an undomiciled person (whether alone or as a member of a family) who is unable to secure permanent and stable housing without special assistance, as determined by the Commissioner of the New York State Office of Temporary and Disability Assistance (OTDA). Non-profit corporations and their subsidiaries, charitable organizations, municipalities and public corporations are eligible to be funded. The program is overseen by the Homeless Housing and Assistance Corporation, which is a subsidiary of the Agency and is administered by staff of ODTA.

Federal Housing Trust Fund (HTF). The Agency administers the Federal Housing Trust Fund (HTF). This subordinate financing supports the new construction of residential multifamily rental housing that includes units to be occupied by households with incomes up to 30% AMI.

Middle Income Housing Program (MIHP). MIHP provides subordinate financing for the development of multifamily rental housing located throughout the State. This financing addresses the needs of mixed income projects serving households between 61% and 130% AMI.

New Construction Program (NCP). NCP provides subordinate financing for the new construction or adaptive reuse of multifamily rental housing advancing specific housing priorities including but not limited to redevelopment of State-owned and municipally-owned sites, family housing in high performing school districts, community redevelopment and revitalization, and developments specifically supported by the Regional Economic Development Councils and the Downtown Revitalization Initiative. Eligible projects must have at least 50% of the units affordable to households earning less than 60% AMI.

Section 8 Program (Section 8). The Section 8 program is administered by HUD and authorizes subsidy payments pursuant to Housing Assistance Payments Contracts (“HAP Contracts”) to the owners of qualified housing for the benefit of lower income families (defined generally as families whose income does not exceed 80% of the median income for the area as determined by HUD) and very-low income families (defined generally as families whose income does not exceed 50% of the median income for the area as defined by HUD).

Senior Housing Program (SENIOR). SENIOR provides subordinate financing to develop new multifamily rental housing for those aged 62 and above. The housing created will include healthy aging programming with access to community partnerships, resources and activities. Eligible projects must have at least 85% of the units affordable to households earning no more than 60% AMI. No more than 15% of the units can serve seniors earning more than 60% AMI with a maximum income restriction of 100% AMI.

Supportive Housing Opportunity Program (SHOP). SHOP provides subordinate financing for the new construction or the adaptive reuse of a non-residential property to rental supportive housing with on-site social services. Eligible projects must have at least 50% of the units affordable to households earning less than 60% AMI.

APPENDIX G

GREEN STANDARDS

Agency Energy and Green Building Requirements

In connection with applying for Agency financing, the applicant must demonstrate that the applicable project will include one or more energy efficiency standards and features. For example, a project may incorporate features including, but not limited to, the utilization of energy efficient appliances (Energy Star or equivalent and higher) and energy efficient lighting, implementation of water saving techniques including water-conserving fixtures, creation of green landscaping, facilitation of radon mitigation, and limiting lead exposure in buildings constructed before 1978. Projects may demonstrate compliance with these requirements by satisfying the conditions of one of the programs described below.

Projects which are not able to meet all the conditions of one of the programs described below may be granted a waiver by the Agency with respect to those conditions. The failure of a project to meet (or exceed) a particular standard is not a default under the applicable mortgage loan. The Agency expects that, following completion of construction of a project, the energy consultant for such project will inform the Agency whether the building or buildings comprising such project achieved the agreed upon energy efficiency standard.

New Construction

All new construction projects seeking Agency financing are required to adhere to the standards established by the Climate Bond Initiative. In addition, projects may satisfy the conditions of one of the following programs:

Projects may participate in the NYSERDA New Construction – Housing Program ("NC-H"). Projects accepted by NYSERDA under the legacy programs Low-Rise Residential New Construction Program ("LRNCP") or Multifamily New Construction Program ("MF NCP") will be offered the option to move to NC-H in accordance with guidance put forward by NYSERDA.

Enterprise Green Communities. Projects may participate in Enterprise Green Communities Criteria 2020, or newer if applicable based on the construction timeframe. Projects in New York City may utilize the New York City - Enterprise Green Communities overlay. Choosing this strategy requires full participation in Enterprise Green Communities Criteria, which utilizes ENERGYSTAR® programs applicable for evaluating energy efficiency.

Alternative Standards. As an alternative to these standards, the Agency may choose to approve projects that prefer to implement standards set by other nationally recognized leaders in the sustainability and energy efficiency industry, provided that they can demonstrate that the project will qualify to be certified as Climate Bonds Initiative-compliant for low carbon performance. Additionally, the project must meet or exceed the NYS Energy Code criteria or more stringent local municipal codes. A list of alternative standards that applicants may choose are as follows:

National Green Building Standard - Current ICC 700 National Green Building Standard, with design and construction as necessary for final certification to the Silver, or higher level.

Leadership in Energy and Environmental Design (LEED) - US Green Building Council (USGBC) LEED Rating System. At a minimum, projects shall comply with the current, or newer, criteria for: LEED version 4 BD+C Homes, or LEED version 4 BD+C Multifamily Midrise. If the housing type proposed is not recognized under either of these LEED rating systems, an equivalent LEED rating system may be substituted upon agreement by the Agency.

Passive House Institute US (PHIUS) or Passive House Institute (PHI) - Projects may utilize either PHIUS or PHI programs. Certification shall be obtained under PHIUS+ 2015 Passive Building Standard – North America, or newer, based on the construction timeframe, or certified under PHI protocols.

Preservation

Preservation projects seeking Agency financing may satisfy the conditions of one of the following programs:

NYSERDA Multifamily Performance Program for Existing Buildings (MPP). Moderate rehabilitation or preservation projects are encouraged to use the MPP Comprehensive Option for Multifamily Affordable Buildings at the second tier level with a projected energy savings target of 31% or greater. Projects may also commit to the third tier of MPP with a projected energy savings target of 36% or greater. At a minimum, projects can reduce energy by 20% to comply with MPP standards. The applicant shall submit an executed contract with a MPP Multifamily Building Solutions Provider to reduce energy consumption in accordance with the selected level. The contract shall indicate the scope of work associated with the energy reduction objective.

NYSERDA Energy Smart for Historic Rehabilitations and Adaptive Reuse Projects. Projects with buildings designated as historic by local, State or Federal authorities undergoing a substantial rehabilitation or adaptive re-use, that cannot fully implement one of the other standards without negatively affecting the historic building characteristics, shall enroll in either the NYSERDA LRNCP, MF NCP, or subsequent programs administered by NYSERDA such as NC-H to achieve the New York Energy Smart or equivalent designation offered by participating in one of those programs.

National Standards for Energy Efficiency. Projects applying for financing of multifamily housing preservation projects can choose one energy efficiency standard from the same list as for new construction projects under "New Construction" above using strategies for existing buildings. All recommended practices applicable to the building systems used in a project's design must be incorporated. The non-residential portions of a project shall incorporate comparable energy efficiency strategies as those used in the residential portion of the project to achieve similar energy savings.
Applicants must certify to the Agency that the project has been designed in accordance with the standard selected and meets or exceeds the criteria set forth in the NYS Energy Code or other more stringent local municipal codes. Each standard specifies the qualifications for consultants to monitor project design for compliance with the applicable standard (see specific criteria listed under "New Construction" above). Applications should include an executed contract with qualified consultants for selected standard. Any request for waivers should provide documentation to justify variations from standards.

The five nationally recognized energy conservation and green standards are as follows:

- EPA ENERGYSTAR® Programs – Existing Buildings
- Enterprise Green Communities Criteria for Existing Buildings
- Passive House Institute US (PHIUS) or Passive House Institute (PHI)
- National Green Building Standard for Remodeling Projects
- LEED for Existing Buildings

<u>Moderate Rehabilitation of Existing Buildings or Historic Preservation Projects</u>. If property cannot meet the standards listed above, at a minimum applicants may: 1) Bring existing building(s) that do not meet the current energy code up to the energy code standards for comparable new construction building(s) in effect on the date the building permit is issued; or 2) Demonstrate that the renovated building(s) will reduce overall energy usage by 20%, as compared to average energy usage for the last two years of operation.

Proposals for bringing a building to current energy code standards must include a code analysis submitted with the application that was prepared by an architect or engineer licensed in the State of New York. Proposals for reducing energy usage by 20% may be demonstrated in the submission of the Integrated Physical Needs Assessment completed by a qualified professional firm.

Projects where energy program standards would be detrimental to National Parks Service ("NPS") or NYS Historic Preservation Office ("SHPO") mandates for historic preservation may request a waiver of specific items. There must be documentation of the specific items of standards that do not comply with requirements of NPS/SHPO, impact historic tax credits or the overall feasibility of the project.

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