CITIZENS BUDGET COMMISSION

240 West 35th Street
Suite 302
New York, NY 10001

515 Broadway
Fourth Floor
Albany, NY 12207

212-279-2605
518-429-2959
@cbcny

March 11, 2023

Dear Legislator:

This is a critical time for New York. Our state's competitiveness to attract and retain residents and businesses may well be more threatened now than any time in the last 50 years, with the COVID-19 pandemic providing evidence that some can enjoy life, successfully work, or run a business outside of New York.

I write to convey the Citizens Budget Commission's (CBC's) recommendations for legislative action on the New York State Fiscal Year 2024 Executive Budget.

The CBC implores you help craft a final budget that ensures New York continues to be an attractive place to live and work, not only by focusing on the quality of core services, but, critically, also paving the path to reasonably competitive taxes that ensure New York's value proposition is compelling. The budget should protect New Yorkers from economic shocks, restrain spending to stave off massive future cuts, and increase New York's affordability. These all matter. Competitiveness is a package deal. Along with the policies you enact, the signals you send will be heard and have impact.

While wisely using the current surplus to accelerate reserve deposits for a rainy day, the Fiscal Year 2024 Executive Budget includes actions that risk the State's long-term fiscal health and competitiveness. It proposes to raise taxes, add billions of dollars in unsupported recurring spending, and use part of the surplus to balance the budget next year, while leaving significant out-year gaps.

The State already has some of the highest taxes in the nation, is a leader in outmigration, and its spending growth is simply unsustainable. After adjusting for fiscal maneuvers, State Operating Funds (SOF) spending is slated to grow 3.6 percent next year, on top of this year's massive 12.2 percent increase. With projected 4.3 percent future annual spending growth and budget gaps papered over with one-shots, this budget drives a $7.2 billion gap in fiscal year 2027 and exposes a structural gap of $14.4 billion in fiscal year 2028.[1]

The top priority should be to stabilize State finances and ensure basic transparency. Absent these actions, the State likely will face massive future cuts, harm its competitiveness, and deny New Yorkers the information they deserve about how their money is being spent. Thus, the State should:

1. **Restrain annual SOF spending growth to 2 percent to structurally balance the budget by fiscal year 2028.** This would align recurring spending with recurring receipts, provide consistency to help management and planning, and compensate for the structural mismatch driven by reliance on one-shots and the sunsetting temporary personal income tax surcharge.

2. **Don't raise taxes—reject the corporate tax surcharge extension and future dependence on the personal income tax surcharge.** Recent tax increases make New York's top tax rates on personal income and businesses the highest-in-nation when combined with New York City and the Metropolitan Transportation Authority (MTA) region. The budget proposes to extend the 2021 corporate tax surcharge through 2026, from its current sunset at the end of 2023. It also takes no action to accommodate expiration of the temporary personal income tax surcharge by 2027; in fact, the State should be trying to accelerate the sunset. The current proposal sends a signal that the State is likely to continue the pattern of raising taxes temporarily and then making them permanent. Furthermore, as taxes and spending have ballooned, the State still has made little effort to ensure its programs are delivering better value and improved services; these trends should be reversed.

3. **Accelerate Rainy Day Fund deposits and further improve the Fund's structure.** The plan to bolster reserves in last year's budget agreement marked a major step forward toward fiscal stability. The Governor's proposal this year to accelerate deposits and increase the size of the fund is wise and deserves support. It can be further improved by maximizing deposits to the Rainy Day Fund lockbox.

4. **Publish basic financial plan tables with the Legislative one-house budgets and the Enacted Budget when voted on.** At minimum, budgets should present basic, multi-year tables that reasonably disaggregate receipts, disbursements, transfers, allocations of fund balances, and present bottom-line results showing multi-year budget balance, surpluses, or gaps. The status quo of budget-making in New York State is that one-house budgets and the enacted budgets are not accompanied by such basic data. This is an unacceptable

failure in accountability and transparency. We urge lawmakers to provide such data beginning this year.

Furthermore, to restrain spending, deliver critical services, increase affordability, and improve the State's budgeting and fiscal management, CBC recommends that the Fiscal Year 2024 Enacted Budget:

5. Reject the proposal to shift Medicaid costs onto local governments, and empower a Health System Reform task force to put Medicaid on a fiscally sustainable path;

6. Target all school aid based on need, reduce aid to wealthy districts that fund a sound basic education with local resources, and eliminate hold harmless provisions that ensure state aid increases year-over-year;

7. Shrink rather than expand the film tax credit, reject State borrowing for Belmont Park, and reject extension of New York City economic development incentives absent rigorous evaluation of their effectiveness;

8. Boost statewide housing production by supporting the Governor's housing plan, including the New York State Housing Compact and transit-oriented development;

9. Ensure at least one-half of any plan to stabilize the MTA's operating budget comes from labor productivity, with the remaining from the State budget, and appropriately apportioned regional support;

10. Prioritize cost-effective investments in the energy transition and resiliency;

11. Establish a public, comprehensive performance measurement and management system to ensure the State's $220 billion in spending delivers real results for New Yorkers;

12. Reject proposed Executive universal appropriation transfer authority and lump sum appropriations; and

13. Require non-budget bills with fiscal impacts be accompanied by multi-year fiscal impact estimates.

Recommendation #1: Restrain annual SOF spending growth to 2 percent.

Spending in New York State is growing at an unsustainable rate. Despite out-year budget gaps, the Fiscal Year 2024 Executive Budget adds approximately $2.4 billion in new, recurring spending.[2] After adjusting for fiscal maneuvers, SOF spending is slated to grow 3.6 percent next year, on top of growth of 12.2 percent this year. Projected out-year growth is faster, at 4.3 percent annually from fiscal year 2024 to fiscal year 2027.[3]

This spending growth—combined with modestly growing tax receipts—opens budget gaps as great as $8.6 billion in fiscal year 2026 and $7.2 billion in fiscal year 2027.[4] Furthermore, in fiscal year 2028 there is a looming fiscal cliff built on non-recurring resources from the expiration of temporary tax increase ($3.8 billion), debt prepayments ($2.9 billion), and other prepayments ($544 million). When added to the fiscal year 2027 budget gap, the exposed structural budget imbalance reaches $14.4 billion.

The Fiscal Year 2024 Enacted Budget should restrain spending to avoid crisis-level budgets gaps and cliffs in the coming years. Options to accomplish this include distributing school aid based only on need, reducing unproven and wasteful economic development programs, and improving care management for the highest cost Medicaid enrollees and programs.

Recommendation #2: Reject the corporate tax surcharge extension, and lay the path to sunset the temporary personal income tax surcharge on schedule or early.

The Fiscal Year 2022 Enacted Budget raised roughly $5 billion in annual tax revenues by 'temporarily' increasing business and personal income taxes. At the same time, the 'temporary millionaires tax,' originally enacted in response to the Great Recession, was made permanent. Now, the Executive Budget proposes to extend the business tax increase for three years.

Four actions appear to send a clear message to individuals and businesses: that New York State does not plan to improve tax competitiveness and may likely raise taxes going forward. The State recently (1) made permanent a temporary tax increase that was in response to a previous downturn, (2) increased taxes again in response to another fiscal crisis, (3) proposed to extend a 'temporary' tax for another three years, and (4) has no plans to restrain spending to allow two temporary taxes to sunset as scheduled.

New York has long maintained high taxes to support expansive and expensive public services. Recent actions and proposals signal an environment of ever-rising taxing and spending, just when New York's competitive position is significantly threatened. Although New York's competitiveness relies on its value proposition—that the services and quality of life delivered are worth the price premium—the State still has not implemented a statewide performance measurement and management system that would improve the quality of services, determine whether spending and programming is delivering results, and inform where savings can be found.

Instead, of setting the stage for tax increases, this budget should reject the extension of the corporate tax surcharge, and commit to sunsetting the personal income tax surcharge on time or ahead of schedule.

Recommendation #3: Accelerate Rainy Day Fund deposits and further improve the Fund's structure.

Last year's plan to build principal reserves to more than $19 billion and change the statute to increase the size of the Rainy Day Fund lockbox was one of the most positive fiscal changes in recent years. Adequate reserves allow the State to protect New Yorkers from future emergencies and downturns. This greatly improved an area where the State has long missed the mark, a fact made abundantly clear when the State entered COVID-19 with minimal reserves and nearly resorted to drastic cuts when public services were most needed.

This year's proposal to accelerate the deposits into reserves and to further increase the allowable size of the Rainy Day Fund deposits and balance deserve wholehearted support.[5]

Additional actions would make reserves even stronger. First, the plan maximizes deposits to the Rainy Day Fund lockbox only in the current year, leaving most of the reserves balance in the unprotected, non-statutory Economic Uncertainties Reserve. Instead, the plan should maximize multi-year transfers into the Rainy Day Fund lockbox from the Economic Uncertainties Reserve. Second, automatic Rainy Day Fund deposits in periods of strong economic and fiscal growth should be required. It is sound fiscal policy to build reserves in good times, and the State should make doing so an automatic feature of the financial plan. Third, the allowable size of the Rainy Day Fund should be increased beyond the 20 percent of SOF that the Executive Budget proposes. CBC's analysis of prior recessions suggests that savings equal to roughly 30 percent of SOF spending is beneficial.[6]

Recommendation #4: Publish basic financial plan tables with the Legislative one-house budgets and the Enacted Budget when voted on.

At minimum, a budget should include basic, multiyear financial plan tables that reasonably disaggregate receipts, disbursements, transfers, allocations of fund balances, and present bottom line results showing multi-year budget balance, surpluses, or gaps.

Unfortunately, the one-house budgets and enacted budget agreement are released without such data. This precludes comparisons of budgets, provides inadequate information upon which to make sound financial decisions, and denies the public and legislators the most basic fiscal transparency. Providing basic financial plan tables is essential for everyone—from legislators considering proposals to stakeholders advocating to the public whose money is being spent—to understand the possible and actual implications of proposals and the final budget agreement.

The one-house budgets and Enacted Budget should include basic financial plan tables. This does not refer to hundreds of pages of text and tables, which take time and still should be produced. CBC recommends providing, at minimum, one financial plan table each for All Funds, State Operating Funds, and the General Fund.

This recommendation enjoys broad support. Last year, CBC joined with other civic research organizations to recommend inclusion of the tables with the Enacted Budget. CBC also included this action as part of our 12-part plan to reform the budget process. Most recently, a group of civic research organizations reiterated this recommendation along with other simple actions for reform this year.

Recommendation #5: Reject the proposal to shift Medicaid costs onto local governments, and empower a Health System Reform task force to put Medicaid on a fiscally sustainable path.

Medicaid drives significant spending growth and may well grow even faster than projected, increasing already large projected gaps. Over the coming year, enhanced federal Medicaid funding will expire along with extraordinary requirements on eligibility and benefits, and more than one million current enrollees are expected to move off public programs and into private coverage. Rapid Medicaid cost growth pre-dates the COVID-19 pandemic, and will become more acute as the program goes through this transition period. The financial plan projects that Medicaid spending will exceed the recently increased Global Cap, which allows a growth rate that already would be difficult to sustain.[7] Further analysis of the program and policy choices are necessary to identify and implement recurring savings that bring spending growth to a sustainable level.

Furthermore, the COVID-19 pandemic highlighted the need for a better coordinated and prepared health system and laid bare the tragic impacts of racial and economic health disparities. The Governor's proposal to establish a task force focused on health care redesign is prudent but too narrow. The State should empanel an ongoing and comprehensive Health System

Transformation Team to identify specific initiatives that improve the effectiveness, efficiency, and equity of public health, primary and acute health care delivery, long-term care, and behavioral health. The Transformation Team also should identify efficiencies and changes to eligibility and program redesign to ensure Medicaid is fiscally sustainable and delivers quality services.[8]

Finally, proposals to push hundreds of millions of dollars in additional annual costs onto local governments should be rejected, as they have been before. Debates over whether counties and New York City should contribute $6 billion or $7 billion or $8 billion each year ignore the fact that local governments should not contribute any funding to the State-run, federally-authorized program. New York's Medicaid local share is an anomaly when compared to other states. This is misguided fiscal policy since it is the appropriate responsibility of higher levels of government to address broad social needs. It is also regressive; counties with more low-income residents, many of which have lower average incomes, have the largest burdens.[9] In addition, the budget should reverse the policy of capturing New York City sales tax revenue to fund supplemental payments to hospitals that was extended last year.

Recommendation #6: Target all school aid based on need, reduce aid to wealthy districts that fund a sound basic education with local resources, and eliminate hold harmless provisions that ensure state aid increases year-over-year.

In the third and final year of the phase in of higher Foundation Aid, State school aid is set to increase 10 percent next year. Total school spending—combined local, State, and federal aids, excluding extraordinary COVID-19 aids—is projected to reach $85 billion in school year 2024. Even before the recent increases, per student spending in New York was more than double the national average.[10]

The State's aid formulas still are not adequately driven by local need. Nearly $10 billion in spending is based on district expenses, not local need or fiscal capacity. Furthermore, a portion of the largely needs-based Foundation Aid formula still goes to districts that have the capacity and provide very significant local revenues before receiving any State aid. In fact, approximately $3.1 billion in State aid will go to 164 districts that self-fund a sound basic education before receiving any State aid. Hold harmless provisions also ensure districts do not see state aid decreases. Overall, the $85 billion in total spending far exceeds the $68 billion in Statewide sound basic education need. At a minimum, the State should not increase State aid to wealthy districts that self-fund a sound basic education; preferably, the State would begin to reduce

State aid to these districts. Additionally, the State should eliminate hold harmless provisions and should combine expense-based aids into needs-based formulas to account for local wealth and capacity.[11]

Recommendation #7: Shrink rather than expand the film tax credit, reject State borrowing for Belmont Park, and reject extension of New York City economic development incentives absent rigorous evaluation of their effectiveness.

For years the State has issued billions of dollars in grants and tax breaks for economic development, and made little effort to rigorously evaluate the impact of these programs. This trend continues in the Fiscal Year 2024 Executive Budget.

The Governor proposes a huge expansion of New York's film production tax credit: it would extend the program by five years to 2034, increase the annual cap by over 60 percent to $700 million, expand the amount of the credit to 30 percent, and allow productions to count "above the line" costs, including high-dollar creative leaders on a project, toward their credit. This generous tax credit has not been proven effective, likely benefitting projects that would have taken place in New York regardless, and past analysis of its impact conducted by the State has relied on faulty assumptions that overestimate economic impacts.

The Fiscal Year 2024 Executive Budget also proposes issuing $455 million in new State debt on behalf of the New York Racing Association (NYRA) to finance the renovation and expansion of the State-owned Belmont Park. As part of the financing package, NYRA would relinquish its lease at Aqueduct Race Track, which expires in 2033, upon completion of the Belmont Park renovations. This new debt would be a liability of the State. If NYRA (or a successor) were unable to meet the repayment terms, the State would be responsible for payments, although the proposal does require NYRA to enter into an agreement that it will fully repay the State.

Furthermore, this proposal allows for debt to extend as long as 20 years, well beyond the 10 years remaining of the State's existing agreement with NYRA, dating back to the 2008 bailout of the racing industry. The downstate horse racing industry is already dependent on State subsidies from Video Lottery Terminal revenues and tax exemptions to meet its operational and capital needs. The proposed terms would tether together the State and NYRA for a longer time; the State should work toward re-evaluating the entirety of its subsidy arrangement instead of doubling down on subsidies for an amenity with withering popularity and no independent financial viability.

NYRA relinquishing the lease on Aqueduct Race Track would provide some benefit by accelerating access to land that could be developed for higher value uses, such as housing. Still, in rejecting this proposal, the State should be planning for the fastest path to the highest and best use for the land occupied by both downstate racetracks, especially given their proximity to MTA subway and Long Island Rail Road stations.

Furthermore, four New York City tax exemptions to incentivize commercial activity in certain areas of the City, due to expire this year, are proposed to be extended for five years; two of these have not been evaluated, while the other two were evaluated by the New York City Independent Budget Office and found to be ineffective.

CBC recommends rejection of all of these proposals, and urges freezing new economic development programming until comprehensive reforms are implemented. While the State has made recent progress, including the establishment of the Database of Deals, additional reporting and rigorous evaluation of economic development programs are still needed. Fortunately, the State is currently completing an evaluation of all economic development programs; any further changes to or increases in economic development funding should wait until the release of this study, which hopefully will be sufficiently rigorous to determine what economic activity was induced by each incentive, estimate the benefit of that additional economic activity, and compare it to the cost of the program and the impact of using those resources in another manner—the opportunity cost. New York is already a leader in spending on economic development, but not in job creation; funding unproductive economic development programs instead of other services or cutting taxes may be doing more harm than good.

Recommendation #8: Boost statewide housing production by supporting the Governor's housing plan, including the New York State Housing Compact and transit-oriented development.

CBC research has shown that housing production in New York City has lagged behind production in peer cities and failed to keep up with population and job growth. The Fiscal Year 2024 Executive Budget smartly proposes several measures that could boost housing production without a significant increase in public spending by requiring local governments to plan and zone for growth.

The New York State Housing Compact proposed by the Governor would accelerate production by requiring local governments either to meet production targets or to enact zoning reforms that over time will allow for greater density and production. A separate transit-oriented development proposal will require governments to rezone areas around MTA rail road and subway stations to allow for infill residential development at specific density limits. Any rezonings undertaken under either bill would also be exempt from costly, time-consuming, and overly-burdensome environmental reviews. CBC supports the enactment of this proposal and urges that attention be paid to details to ensure that the programs provide the necessary and appropriate incentives to spur increased housing production.

The Fiscal Year 2024 Executive Budget also includes regulatory fixes needed to maximize production potential, including lifting the arbitrary floor area ratio cap for new development and certain commercial conversions in New York City, providing a tax incentive for conversion of commercial buildings to mixed-income rentals, creating a path to legalize New York City basement apartments, and extending the construction completion deadline for 421-a projects by four years to 2030 to ensure that already approved mixed-income projects get built. In addition to recommending these proposals be adopted, CBC recommends the State monitor and evaluate the incentive for commercial-to-residential conversions after five years to determine whether it is structured to cost-effectively meet outlined goals.

CBC continues to urge the State to develop and enact a successor for the 421-a program. Due to New York City's high construction costs and property tax rate, rental housing development in New York City is financially infeasible without an incentive. The success of the Governor's housing proposals depends on having a successor to 421-a in place.

Recommendation #9: Ensure at least one-half of any plan to stabilize the Metropolitan Transportation Authority's operating budget comes from labor productivity, that there is a contribution from the State budget, and the rest appropriately apportioned within the region.

The fiscal stability of the MTA is of paramount importance to the region and the State. A well-functioning transit system is essential to New Yorkers' quality of life and the region's economy. The MTA faces a structural operating budget gap exceeding $2.5 billion that is reduced to $1.0 billion to $1.5 billion after use of one-time COVID-19 related federal aid, resumption of biennial fare increases, and modest operational efficiency savings of $100 million this year and $400 million annually starting in 2024 that can be achieved outside of labor negotiation.

The Executive Budget's plan to close the gaps includes a one-time State appropriation of $300 million, $800 million annually from increasing the Metropolitan Commuter Transportation Mobility Tax (MCTM) top rate, and a $500 million increase in New York City's annual funding contribution by requiring the City to pay the full cost of paratransit and student fares, and a portion of the MCTM tax for exempted organizations.

Stabilizing the MTA's budget requires a multi-pronged, long-term approach. While the proposal is welcome as such, it does not appropriately allocate the contributions of various components. No action is required from labor, there is no recurring State budget contribution, and the regional contribution is too heavily weighted on New York City.

To improve the plan, productivity savings, including changes in MTA operations that require agreement from labor, should be at least half of the plan; a recurring State contribution should be included, understanding that City taxpayers are major contributors to State receipts; and the balance of the plan should be appropriately allocated among those in the MTA region.

CBC previously identified efficiency improvements that could save up to $2.9 billion, though they would require negotiation with labor. Additionally, given the regional impacts of MTA's costs and benefits, and given that farebox recovery ratios from commuter rail that are lower than for the subway, the balance of any plan should better consider these costs and benefits and reallocate this portion of the plan better to the region. Finally, CBC wholeheartedly supports the MTA's proposed resumption of biennial fare increases.

Recommendation #10: Prioritize cost-effective investments in the energy transition and resiliency.

New York has ambitious environmental and energy goals. The recently approved Climate Action Council Final Scoping Plan (FSP) provided the State with an extensive menu of policies that would help achieve these goals, but failed to quantify the cost-effectiveness of each strategy, prioritize investments accordingly, or identify who would bear their costs.

The Fiscal Year 2024 Executive Budget proposes several policies outlined in the FSP, including an economy-wide Cap-and-Invest program, Extended Producer Responsibility, waste reduction efforts, prohibition on certain fossil fuel equipment in new buildings, and expansions of State utility assistance and home retrofitting programs. Some Executive Budget proposals have clear positive benefits, including transit-oriented development, and should be implemented immediately. For others, details of the initiatives, as well as a more complete understanding of the costs and benefits of each, must be solidified.

Only after completing cost-benefit analyses and identifying available funding can the State maximize the impact of climate and energy interventions and investments. The State should conduct a holistic assessment of the State's mitigation and resiliency needs, and more rigorously assess the costs, benefits, and economic impacts of environmental and energy proposals. This analysis should inform the development of a comprehensive environmental capital investment and financing plan that directs existing funds and new funding to areas with the greatest need.

The State also is set to begin disbursing funds from the $4.2 billion Environmental Bond Act. Similar to overall climate and greenhouse gas reduction goals, the State has not produced an analysis of the needs and most cost-effective options to implement the Bond Act. Before distributing the Bond Act funds, the State should complete a needs assessment to inform spending on the most urgent, cost-effective projects and programs to bolster resiliency and climate adaptation. This work will also inform existing and future environmental capital needs and programs.

Recommendation #11: Establish a public, comprehensive performance measurement and management system to ensure the State's $220 billion in spending delivers real results for New Yorkers.

Budget negotiations and discussions should be informed by data and data-driven analyses. New York lacks a public, comprehensive system of performance measurement and management, a basic function of government that many other states maintain.[12]

Performance measurement bolsters transparency when a broad portfolio of key metrics is shared with the public, and performance management leverages these and more data to improve management and accountability, and inform budget allocation. Most importantly, such a system can drive efficient and effective service delivery for New Yorkers.[13]

Recommendation #12: Reject proposed Executive universal appropriation transfer authority and lump sum appropriations.

The Executive Budget yet again includes proposals for universal appropriation transfer authority and continuation of billions of dollars in dry, lump sum appropriations that were prompted by the COVID-19 pandemic, but now are unnecessary, decrease transparency, and increase fiscal risk. These proposals give the Executive broad and unilateral powers to transfer and spend money on purposes not agreed to when the budget is adopted.

The Legislature should reject these proposals from the Governor. These provisions were born at the outset of the COVID-19 pandemic to allow flexibility in uncertain times. Now, they only allow fiscal imprudence and risk. CBC and other watchdogs joined together last year to urge that these provisions be rejected by the Legislature, with partial success.

Recommendation #13: Require non-budget bills with fiscal impacts be accompanied by multi-year fiscal impact estimates.

The Legislature often considers and sometimes passes bills that affect State or local spending, despite the bills failing to identify their multi-year fiscal impacts. Currently, there is no requirement for an assessment of the fiscal impact of particular bills unless they affect pension plans. In practice, bills often pass through legislative fiscal committees and the full Legislature with little or no quantification of their fiscal impacts. Instead, bills are accompanied by fiscal notes such as "TBD," "To be determined," "Potential savings," or other vague assessments. Passing bills with fiscal impacts outside of the budget process jeopardizes the condition of the State's finances and budget balance, and is often a reason for gubernatorial veto. Any bill with fiscal impacts should be required to have a multi-year fiscal impact statement, and legislators should not pass any bill that increases costs or decreases revenue without knowing its budgetary impact.

Thank you for considering CBC's recommendations. My staff and I welcome the opportunity to answer questions or discuss these issues.

Sincerely,

Andrew S. Rein
President
Citizens Budget Commission

Endnotes

[1] Structural gap of $14.4 billion in fiscal year 2028 is comprised of the $7.2 billion gap projected in fiscal year 2027 plus $3.8 billion associated with the sunset of the personal income tax surcharge, $2.9 billion in debt prepayments, and $544 million for other expense prepayments.

[2] New York State Division of the Budget, *Fiscal Year 2024 New York State Executive Budget Financial Plan* (February 2023), p. 15, www.budget.ny.gov/pubs/archive/fy24/ex/fp/fy24fp-ex.pdf.

[3] CBC's analysis of the financial plan adjusts for year-to-year disbursement shifts, off-budget maneuvers, and other accounting actions that impact spending. After accounting for these adjustments, the year-to-year spending growth is 3.6 percent. These adjustments will be presented in detail in a forthcoming CBC report.

[4] New York State Division of the Budget, *Fiscal Year 2024 New York State Executive Budget Financial Plan Updated for Governor's Amendments and Forecast Revisions* (February 2023), p. 17, www.budget.ny.gov/pubs/archive/fy24/ex/fp/fy24fp-ex-amend.pdf.

[5] New York State Division of the Budget, *Fiscal Year 2024 New York State Executive Budget Financial Plan* (February 2023), p. 22, www.budget.ny.gov/pubs/archive/fy24/ex/fp/fy24fp-ex.pdf.

[6] Patrick Orecki, *Accounting (and More) for a Better Budget* (Citizens Budget Commission, December 2022), https://cbcny.org/research/accounting-and-more-better-budget.

[7] New York State Division of the Budget, *Fiscal Year 2024 New York State Executive Budget Financial Plan* (February 2023), p. 122, www.budget.ny.gov/pubs/archive/fy24/ex/fp/fy24fp-ex.pdf.

[8] Citizens Budget Commission, *Public Comment Submitted to the Medicaid Redesign Team II* (March 2020), https://cbcny.org/advocacy/public-comment-submitted-medicaid-redesign-team-ii.

[9] Patrick Orecki, *Still a Poor Way to Pay for Medicaid* (Citizens Budget Commission, October 2018), https://cbcny.org/research/still-poor-way-pay-medicaid.

[10] Patrick Orecki, *More Money, Little Accountability* (Citizens Budget Commission, October 2022), https://cbcny.org/research/more-money-little-accountability.

[11] CBC staff analysis of New York State Education Department, "FY 2024 Executive Budget School Aid Files" (received via email on February 2, 2023). For details on the methodology used to conduct this analysis, see Patrick Orecki, *More Money, Little Accountability* (Citizens Budget Commission, October 2022), https://cbcny.org/research/more-money-little-accountability.

[12] Patrick Orecki, *It's Time for New York State to Heed SAGE Advice on Performance Management* (Citizens Budget Commission, June 2020), https://cbcny.org/research/its-time-new-york-state-heed-sage-advice-performance-management.

[13] Patrick Orecki, *Accounting (and More) for a Better Budget* (Citizens Budget Commission, December 2022), https://cbcny.org/research/accounting-and-more-better-budget.