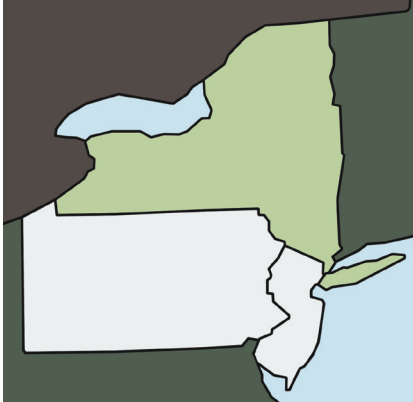


NEW YORK Budget Report Card



WITH ITS 94.5 PERCENT pension funded ratio as of 2017, New York exceeded the overall level for states by about 26 percentage points. Only Wisconsin and South Dakota, with fully funded pensions, were in better shape. New York has been able to keep its ratio high by making its actuarially determined contribution for current and promised benefits each year.

Despite its record on pensions, New York garnered only a B average in legacy costs for fiscal 2016 through 2018 because it failed to fully fund its obligations for other postemployment benefits, chiefly health care. The unfunded actuarial accrued liability as of fiscal 2018 was \$90.5 billion, including \$72.8 billion for the state and \$17.7 billion for the State University of New York.

The state scored even lower in budget maneuvers, receiving a D average, the second-lowest mark possible. Its deferral of recurring expenditures in 2018 contributed to the grade. The state borrowed \$215 million from the New York Power Authority, a state-owned agency, in March 2009 and was supposed to repay the loan by September 30, 2017. But in fiscal 2017, it extended the payment plan to fiscal 2023. New York also borrowed \$103 million from the authority in September 2009, with repayment scheduled by September 30, 2014. That was similarly extended, to installments stretching from fiscal 2015 to 2019.

In contrast, New York averaged a top mark of A in budget forecasting. It uses consensus revenue estimating, makes multiyear forecasts of revenues and expenditures, and produces clear explanations of the reasoning behind estimates of revenue growth. It received Bs in the reserve funds and transparency categories.


MID-ATLANTIC STATES SIDE BY SIDE: Three-Year Average Grades, 2016-18


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
New Jersey	D	D	D-	B	B
New York	A	D	B	B	B
Pennsylvania	B	D-	D	C	B
US AVERAGE	C	B	C	B	B


NOTE States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* at VolckerAlliance.org.


NEW YORK Budget Report Card

BUDGET FORECASTING					
		2016	2017	2018	
	CATEGORY GRADE	A	A	A	
	Consensus Revenue Forecasts	✓	✓	✓	
	Multiyear Expenditure Forecasts	✓	✓	✓	
	Multiyear Revenue Forecasts	✓	✓	✓	
	Revenue Growth Projections	✓	✓	✓	
3-YEAR AVERAGE A			3-YEAR TREND —		

BUDGET MANEUVERS					
		2016	2017	2018	
	CATEGORY GRADE	D	D	D	
	Deferring Recurring Expenditures	✓	✓	✗	
	Revenue and Cost Shifting	✗	✗	✗	
	Funding Recurring Expenditures with Debt	✗	✗	✗	
	Using Asset Sales and Up-Front Revenues	✗	✗	✓	
3-YEAR AVERAGE D			3-YEAR TREND —		

LEGACY COSTS					
		2016	2017	2018	
	CATEGORY GRADE	B	B	B	
	Public Employee OPEB Funding	✗	✗	✗	
	Public Employee Pension Funding	✓	✓	✓	
	Public Employee Pension Funded Ratio*	91%	95%	95%	
3-YEAR AVERAGE B			3-YEAR TREND —		

RESERVE FUNDS					
		2016	2017	2018	
	CATEGORY GRADE	B	B	B	
	Positive Reserve or General Fund Balance	✓	✓	✓	
	Reserve Funds Disbursement Policy	✓	✓	✓	
	Reserve Funds Replenishment Policy	✓	✓	✓	
	Reserves Tied to Revenue Volatility	✗	✗	✗	
3-YEAR AVERAGE B			3-YEAR TREND —		

TRANSPARENCY					
		2016	2017	2018	
	CATEGORY GRADE	B	B	B	
	Consolidated Budget Website	✓	✓	✓	
	Provides Debt Tables	✓	✓	✓	
	Discloses Deferred Infrastructure Replacement Costs	✗	✗	✗	
	Discloses Tax Expenditures	✓	✓	✓	
3-YEAR AVERAGE B			3-YEAR TREND —		

KEY

✓	Followed best practice
✗	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* **SOURCE** Bloomberg; 2017 data also used for 2018.