



# **New York State Funding Summary**



# NYS Funding Executive Summary



The New York State Division of the Budget (DOB) publishes the Capital Program and Financing Plan twice a year, with the Executive Budget and the Enacted Budget. The Executive Capital Program and Financing Plan (“Capital Plan”) reflects capital spending and debt issuances in FY 2023 through 2027.

The FY 2023 Executive Capital Plan will invest resources to achieve the following objectives:

- ❖ Makes significant infrastructure investments across the State that will play an important role in building for the future and responding to the pandemic by creating jobs and growing the economy.
- ❖ The Executive Budget introduces the following:
  - ❖ New five-year capital plans for transportation and housing
  - ❖ The largest bond act in State history
  - ❖ 4 Billion Clean Water, Clean Air, and Green Jobs Bond Act
  - ❖ Expands and increases investments in clean water and renewable energy infrastructure
  - ❖ Increases funding for care facilities and a comprehensive plan to deliver broadband
  - ❖ Funding for regional economic development and community revitalization.
- ❖ Invests in transformative projects to improve the State's transit systems, modernize airports, and rebuild infrastructure to upgrade the State's transportation network and prepare for future generations.
- ❖ Several projects are expected to be financed from multiple funding sources and administered by public authorities (e.g., MTA, PANYNJ), outside of the State budget. The funding partners include the State, local governments, the Federal government, public authorities, and private entities.

## TRANSFORMATIVE INFRASTRUCTURE PROJECTS (BILLIONS)<sup>1</sup>

Project	Total Project Cost	State Share	Other Funding Partners Share
TOTALS	\$118.3	\$12.6	\$105.7
Gateway Tunnel	\$12.3	\$2.3	\$10
MTA Capital Plan (2020-2024)	\$52	\$3	\$49
Commuter First Penn Station	\$16	\$1.3	\$14.7
Transform JFK	\$13	\$0.3	\$12.7
Housing Program (5-Yr Plan)	\$25	\$5.7	\$19.3

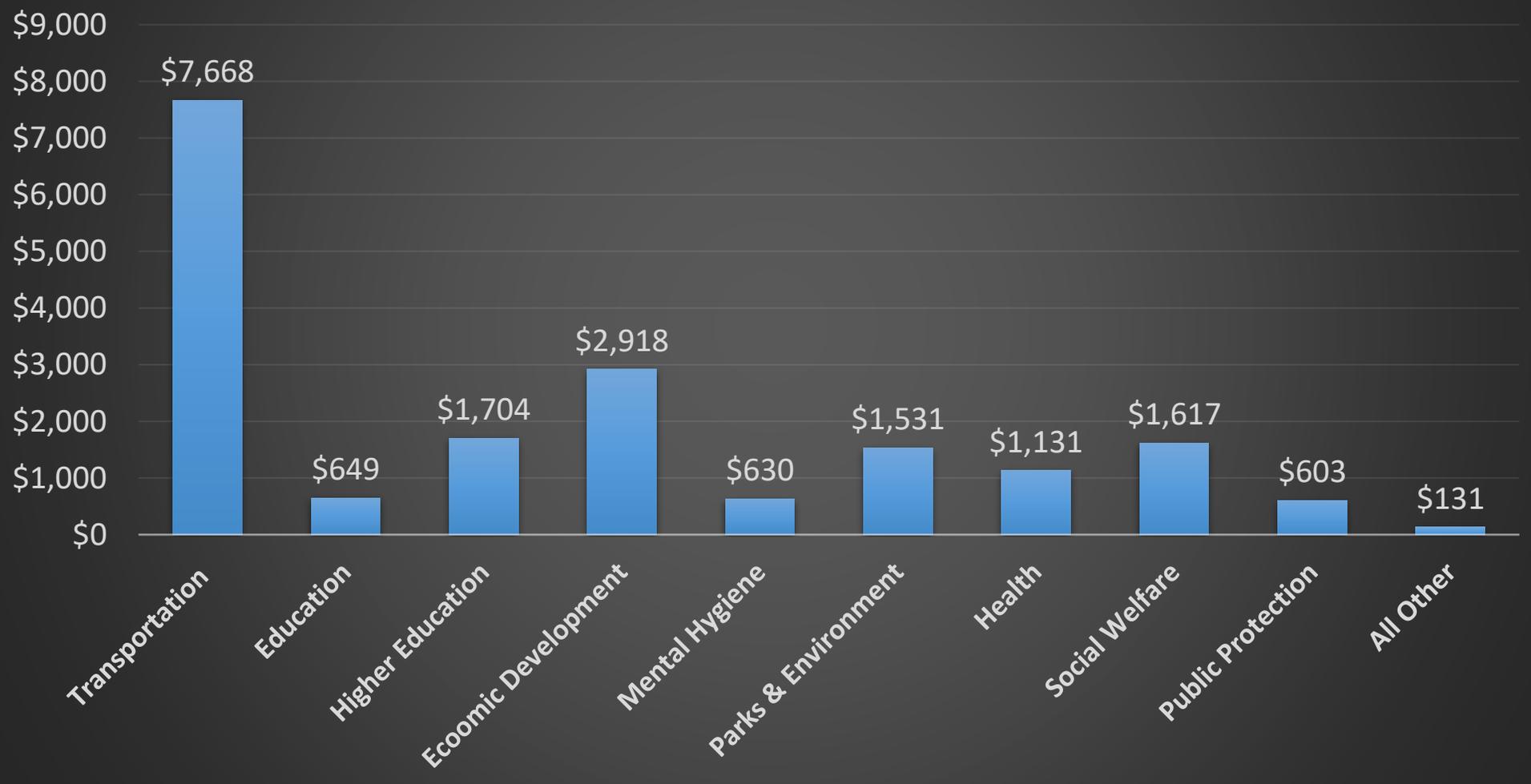
The above projects are highlighted in the state DOB report. Please note that other funding partners share includes funding from federal and local governments, public authorities and other slated funding sources. State funding is still being determined for the Gateway Tunnel.

Sources: 1: New York DOB Report

# Capital Spending by Sector



Capital Spend by Program  
(Millions)

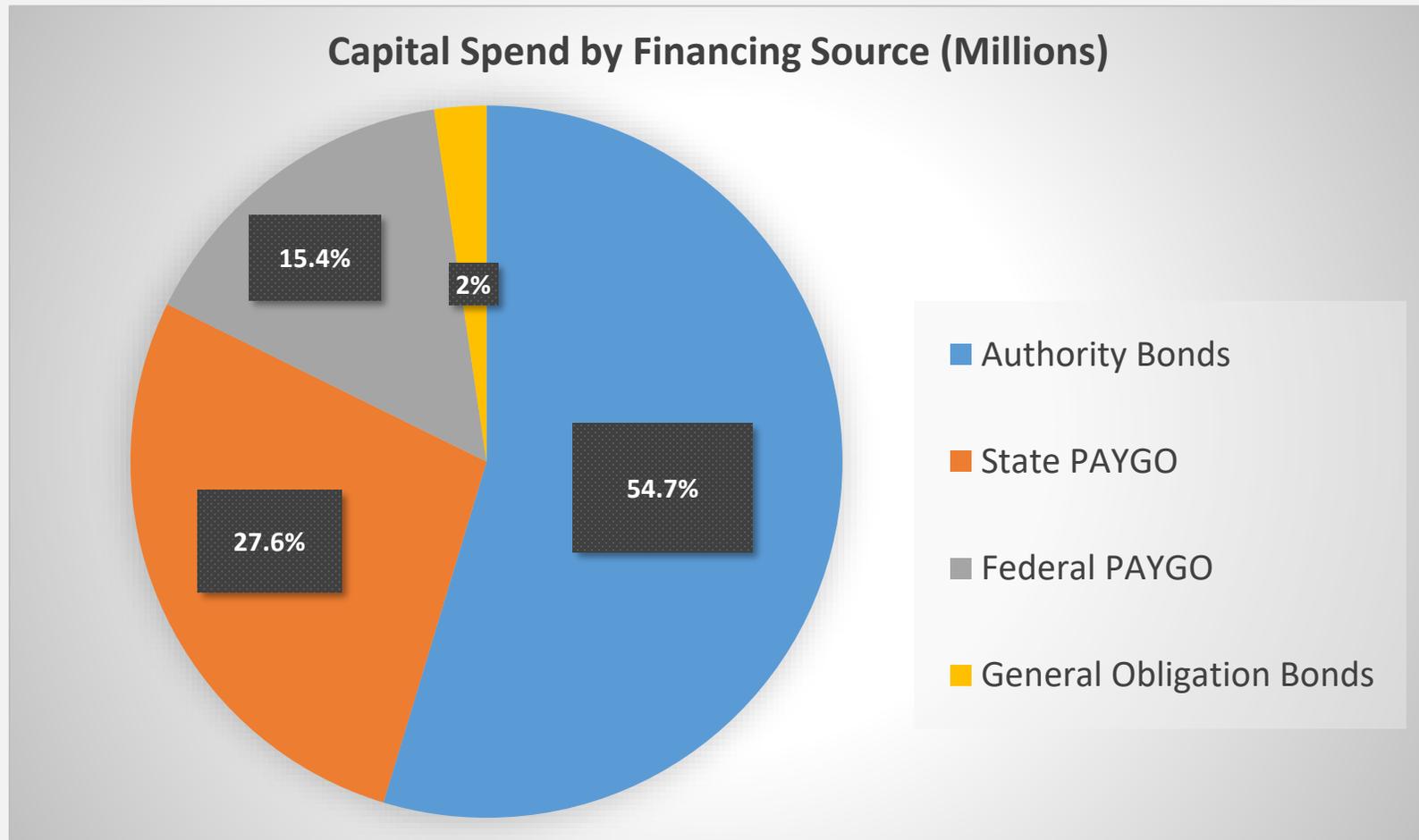


The Capital Plan funds the capital activities of State agencies, includes capital grants to localities and non-governmental recipients, and maintains affordable levels of debt.

Capital spending is projected to total **\$18.6 billion in FY 2023** and is impacted by the **new five-year plans** for both **transportation** and **housing**.

The Capital Plan includes investments for **transportation at 41.3%** of the total budget, **economic development projects at 15.7%**; **health care facilities at 6.1%**; and **social welfare projects at 8.7%**. Additionally, the Capital Plan continues funding for State parks, and educational, mental health, and correctional facilities.

# Capital Spending by Financial Source



The authorization allows for the issuance of up to **\$3 billion of PIT revenue** anticipation notes that mature no later than March 31, 2022. It also allows up to **\$2 billion in line of credit facilities**, which are limited to one year in duration and may be drawn through March 31, 2023.

The FY 2023 Executive Budget **reinstates the provisions of the Debt Reform Act for States** supported debt issued in FY 2023. Previously, the State had enacted legislation to suspend the Debt Reform Act for FY 2021 and FY 2022 bond issuances as part of the State response to the COVID-19 pandemic.

The Capital Plan contributes **\$6 billion of cash resources for PAYGO capital** spending, which will be targeted to avoid higher cost taxable debt issuances and to allow a larger DOT plan.

From FY 2013 to FY 2022, debt outstanding is expected to increase from \$55.7 billion to \$62.9 billion, or an average increase of 1.4 percent annually. In the prior 10 years, debt grew by 2.0 percent.



## ***Reporting on State Debt***

The Capital Plan provides information on State-supported debt and the broader measure of State related debt:

***State-supported Debt*** represents bonds or notes of the State that are paid from traditional State resources (e.g., tax revenue) and have a budgetary impact. It includes both General Obligation debt approved directly by the voters, and debt authorized by the Legislature, acting on behalf of the people, and issued on behalf of the State by public authorities, where the State is contractually obligated to pay debt service, subject to appropriation.

***State-related Debt*** is a broader measure that includes State-supported debt, State-guaranteed debt, moral obligation financings, and certain contingent-contractual obligation financings, where debt service is paid from non-State sources, and State appropriations are available (not expected to be needed) to make payments. This also includes inter-governmental loans, where no bonds are issued but the State has agreed to pay annual loan payments to another governmental entity.

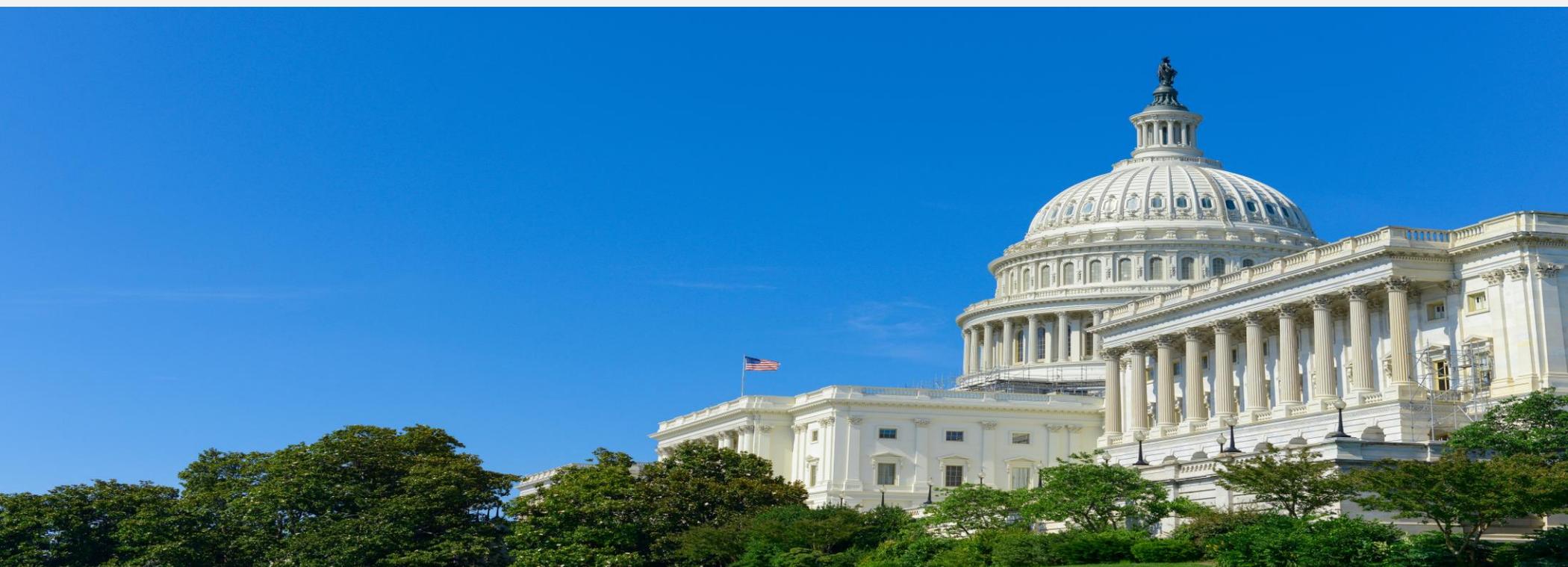
State debt is reported in the Capital Plan on a cash basis and includes all debt issued by the State and public authorities acting on its behalf for government and business activities as defined in the Comprehensive Annual Financial Report. State debt does not include debt issued by State public authorities where the State has no financial obligation (“conduit debt”), or debt issued by or on behalf of local governments and secured by State local assistance aid payments.

# Other Funding Sources



State funding is only a piece of the funding pie on major upcoming projects for New York state. The below are a few of the major funding opportunities that will be leveraged to allow for all of the needs included in our state.

- 1) Leverages the Federal Infrastructure Investment and Jobs Act (IIJA) and other Federal bills. The Plan utilizes new and increased funding from the Federal infrastructure bills, IIJA and ARPA, to support new infrastructure investments.
- 2) Maintains debt affordability by contributing \$6 billion of cash resources for PAYGO capital to avoid the issuance of debt, primarily higher-cost taxable debt. This results in debt issuances being reduced from \$50.2 billion to \$44.2 billion (12 percent). The targeted approach eliminates \$6 billion of debt issuances from the Five-Year Plan Period, providing both debt service savings and significant debt cap relief. This initiative results in estimated debt service savings of \$40 million in FY 2023, increasing to over \$700 million when fully annualized.
- 3) Ensures that the State has routine financing tools available, if needed, to address financial shocks and disruptions to liquidity. The Executive Budget authorizes the State to access short-term external liquidity in the form of up to \$3 billion of short-term PIT notes and a \$2 billion line of credit.
- 4) Generates savings of \$175 million in FY 2023 by refunding debt, taking advantage of low interest rates. Refunding will continue to be executed to achieve efficiencies, eliminating older bond credits and utilizing highly rated Personal Income Tax and Sales Tax Revenue Bonds.





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Sources: