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Nassau County Comptroller Jack Schnirman Announces Financial Impact Analysis of COVID-19 on County Finances

Comptroller Organizes Effort to Gauge Local Government Financial Impact

MINEOLA, NY – Nassau County Comptroller Jack Schnirman announced that the Comptroller’s Office will be launching an analysis of the impact of COVID-19 on the finances of Nassau County government. The analysis will provide a series of projections on critical revenues so that Nassau can best prepare for recovery in a post COVID-19 environment.

“COVID-19 is an unprecedented threat to the health and safety of our community as well as our fiscal health. It is a big challenge to project financial impacts as we do not yet know how long this will last or how deep the hole will be,” said Nassau County Comptroller Jack Schnirman.

“The analysis of the County’s biggest revenue source, economically dependent sales tax, is key to plan for the immediate future and what comes next, as revenue losses take longer to materialize than potential increases to crisis-related expenses. In this manner, this crisis differs significantly from recent historical events like Superstorm Sandy and more closely mirrors the challenges of economic downturns like we faced in 2008-2009. We need to know a range of potential impacts on County revenues so that we can ensure essential government services will continue unimpeded and quality of life can be best protected for our people both now and into the future.”

The financial impact analysis will provide projections of numerous models related to key economically variable revenues, including sales tax and various fees, to project the County's financial trend lines and potential position in the months ahead. Data on the Open Nassau Transparency Platform currently contains the County’s 2020 adopted budget and projected revenues, as well as the County’s Open Checkbook from 2016-2019, which provides data to compare current 2020 numbers.

"On the expense side, direct purchases have not had a critical fiscal impact at this point relative to previous crises, with only a few million of a multi-billion dollar budget spent thus far. Our team will track that number and, as always, exercise proper oversight to make sure money is

spent responsibly, and also quickly when needed," said Schnirman. "But it is the revenue side that takes longer to materialize and is of greater concern, at present."

The County, as of March 30, 2020, has allocated \$2.8 million and spent \$1.6 million in COVID-19-related expenses, which includes ventilators, hospital beds, and cleaning services. While sales tax revenues had been exceeding expectations in the first quarter of 2020 and performed strongly in 2019, the analysis will provide projections. By looking at both the immediate impact and models about long-term impacts, the effort can best assess what potential measures may need to be considered to assist the County in mitigating the impact on our government's finances.

"This analysis is vital; we cannot afford to take uninformed guesses or leave things to chance. We all need to be equipped with the best data and trends that we can analyze so that the County can fulfill its obligations, protect its workforce, and deliver essential services to all residents in this time of great need," said Schnirman.

The Comptroller's Office is seeking to partner with local governments across the Island to share analysis and information on the financial impact of COVID-19. Schnirman will be organizing teleconferences with leaders from local governments to begin to assess what they are witnessing within their localities.

"This crisis is impacting every local government, and my Office can serve as a resource to provide data and guidance so that governments can proactively analyze the variables and ultimately ensure that essential services people depend on continue as we move forward," concluded Schnirman. "We can work together to track the numbers, seek timely reimbursement from the federal government, and ultimately ensure that essential services for our residents continue no matter how long this situation continues."

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