



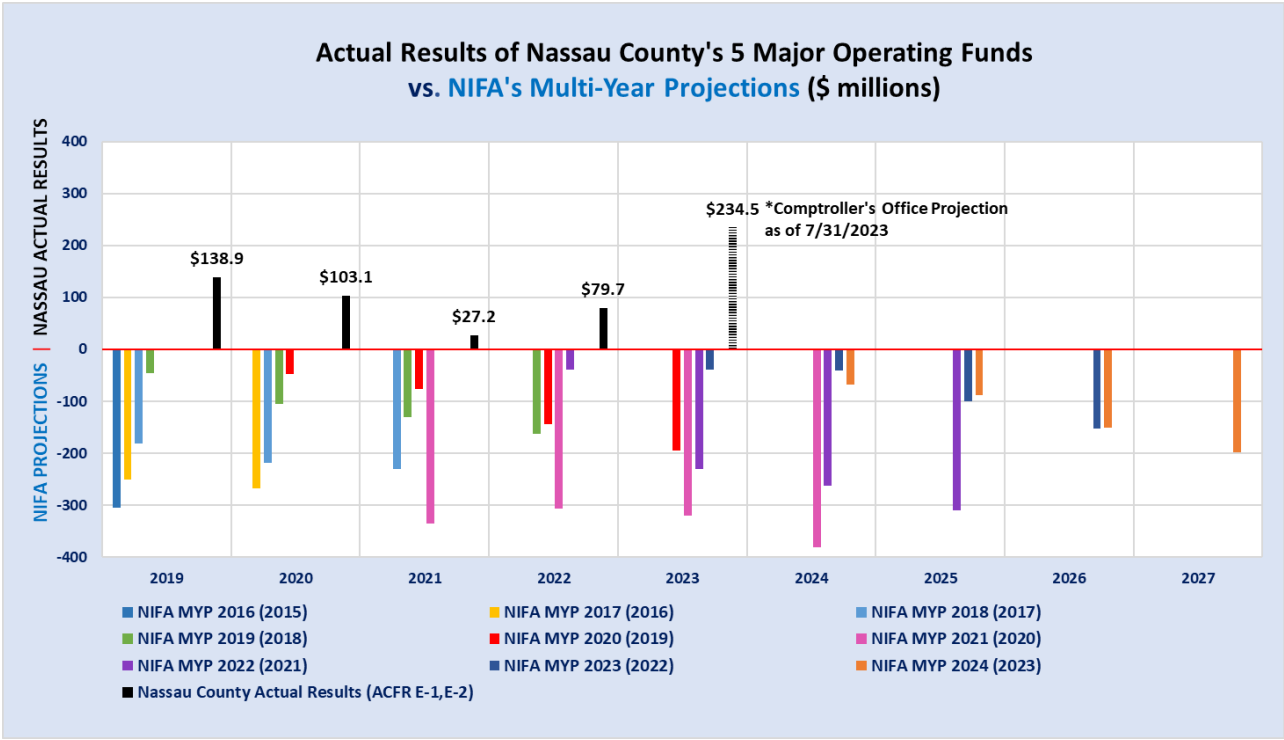
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NIFA Does It Again: An Ongoing Pattern of Inaccurate Projections

On November 6, 2023, the Nassau Interim Finance Authority (NIFA) voted to approve the 2024 Nassau County budget. This follows NIFA’s October 24 release of its “Review of Nassau County’s Proposed Multi-Year Financial Plan” for fiscal years 2024–2027. While the budget for next year is approved, NIFA continues to use wildly pessimistic and speculative projections about the “out years” (2025-2027) to justify continuation of the Control Period imposed in 2011.

Analysis of NIFA’s multi-year projections reveals just how wrong they have been. The colorful deficit bars below indicate NIFA’s projections; the black surplus bars indicate the County’s actual results.



Note: NIFA projections are the baseline estimates from their reports.

In a Newsday editorial on November 3, 2023, the paper's editorial board expresses its support for NIFA and the control period in an essay that also ignores the facts.

The NIFA report and Newsday editorial are both filled with inaccuracies, which Nassau County Comptroller Elaine Phillips seeks to clarify for taxpayers. The most notable corrections are:

- COVID/ARPA money is not fueling Nassau County's fiscal success; 48 percent of the recovery funds received have been allocated and the County's Administration is working with the Nassau Legislature to allocate the remainder. These funds *are not* the basis of Nassau's operating surplus.
- While the future of Nassau University Medical Center (NUMC) is of great concern, the County's liability for the hospital is limited to \$100 million in debt payable by 2029. That amount is equal to 0.0025% of the County's operating budget and presents no challenge to the County. Since 1997, NUMC, its clinics and the A. Holly Patterson Extended Care facility have been the fiscal and operational responsibility of the public benefit corporation, NuHealth, which was created by and reports to New York State.
- The guidelines for ending a control period are not unclear. The legislation that created NIFA includes language such that the authority can make that determination when "none of the conditions which would permit the authority to impose a control period exist." Not one of the five statutory reasons for a control period currently exist. (see endnote¹)
- Repeated references to a letter from NIFA to the County Executive in July 2022 are misleading and disingenuous. Who in a position of authority sits back and waits more than a year for information it claims it needs to resolve a situation? By now, the letter is outdated and the document merely serves as a prop in NIFA's charade.

Nassau County has:

- Had *operating surpluses for the past four consecutive years* and a surplus projected for 2023;
- Bond ratings of AA-, Aa3 and A+ from S&P, Moody's and Fitch, respectively;
- A Fiscal Stress Score of zero (a perfect score designating no fiscal stress or susceptibility) from the New York State Comptroller's Office; and
- Reduced the County's non-debt liability from 2021 to 2022 by \$471 million.

These facts have been reported in Nassau's Annual Comprehensive Financial Report (ACFR), which details the County's financial position and the results of the County's operations in accordance with Generally Accepted Accounting Principles (GAAP) for governments, as determined by the Governmental Accounting Standards Board (GASB).

NIFA uses a formula of its own design and misinformation to perpetuate its control over the County, at a cost of more than \$2 million per year to Nassau County taxpayers.

NIFA's control over Nassau County disrespects the purpose of the legislation that created NIFA and defies the democratic process. As an interim finance authority appointed by the state, NIFA

owes it to Nassau County taxpayers to be accountable and credible. Instead, NIFA's board and staff continue to publish misinformation in a relentless campaign of self-preservation.

Regardless of the control period, NIFA will remain in a statutory oversight role with the County until all NIFA-issued debt has been paid. But in the absence of qualifying events for the past several years, NIFA should end the control period and allow the people elected by the taxpayers of Nassau County the authority to do the jobs we were elected to do.

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ⁱ A control period will occur upon the Authority's determination that any of the following events has occurred or that there is a *substantial likelihood and imminence* of its occurrence;

- (1) the County shall have failed to pay the principal of or interest on any of its bonds or notes when due or payable;
- (2) the County shall have incurred a major operating funds deficit of 1% of more in the aggregate in the results of operations during its fiscal year assuming all revenues and expenditures are reported in accordance with generally accepted accounting principles;
- (3) the County shall have otherwise violated any provision of the Act and such violation substantially impairs the marketability of the County's bonds or notes;
- (4) the County Treasurer's certification at any time, at the request of the Authority or on the County Treasurer's initiative, that on the basis of facts existing at such time, the County Treasurer cannot make the certification that securities sold by or for the benefit of the County in the general public market during the fiscal year immediately preceding such date and the then current fiscal year are satisfying the financing requirements of the County during such period and that there is a substantial likelihood of a similar result from such date through the end of the next succeeding fiscal year; or
- (5) if, in regard to the County's financial plan covering the County and the Covered Organizations, the County fails to make the required modifications after reductions in revenue estimates, or to provide a modified plan in detail and within such time period required by the Authority. - <https://nifa.ny.gov/nifa-control-period>