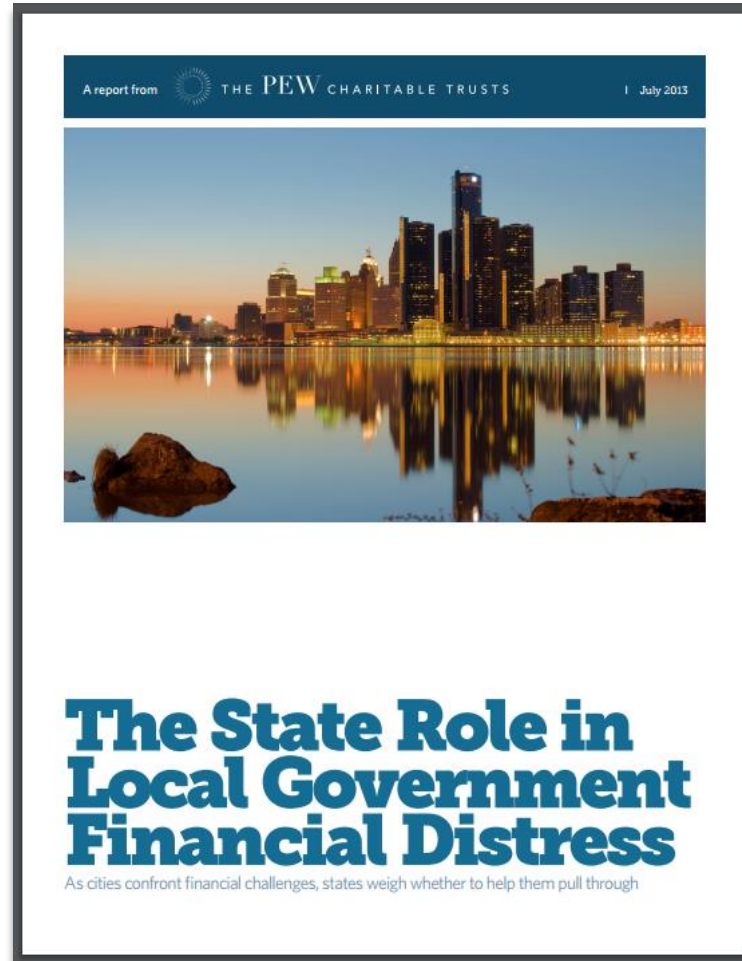


How State Oversight Groups Use Government Data for Fiscal Health Analysis

Who we are

- The Pew Charitable Trusts is a nonprofit, nonpartisan research and advocacy organization working to improve public policy in a broad range of areas.
- The state and local fiscal health team works on topics including rainy day funds, tax incentives, debt management, and fiscal monitoring.

State interventions



Fiscal monitoring



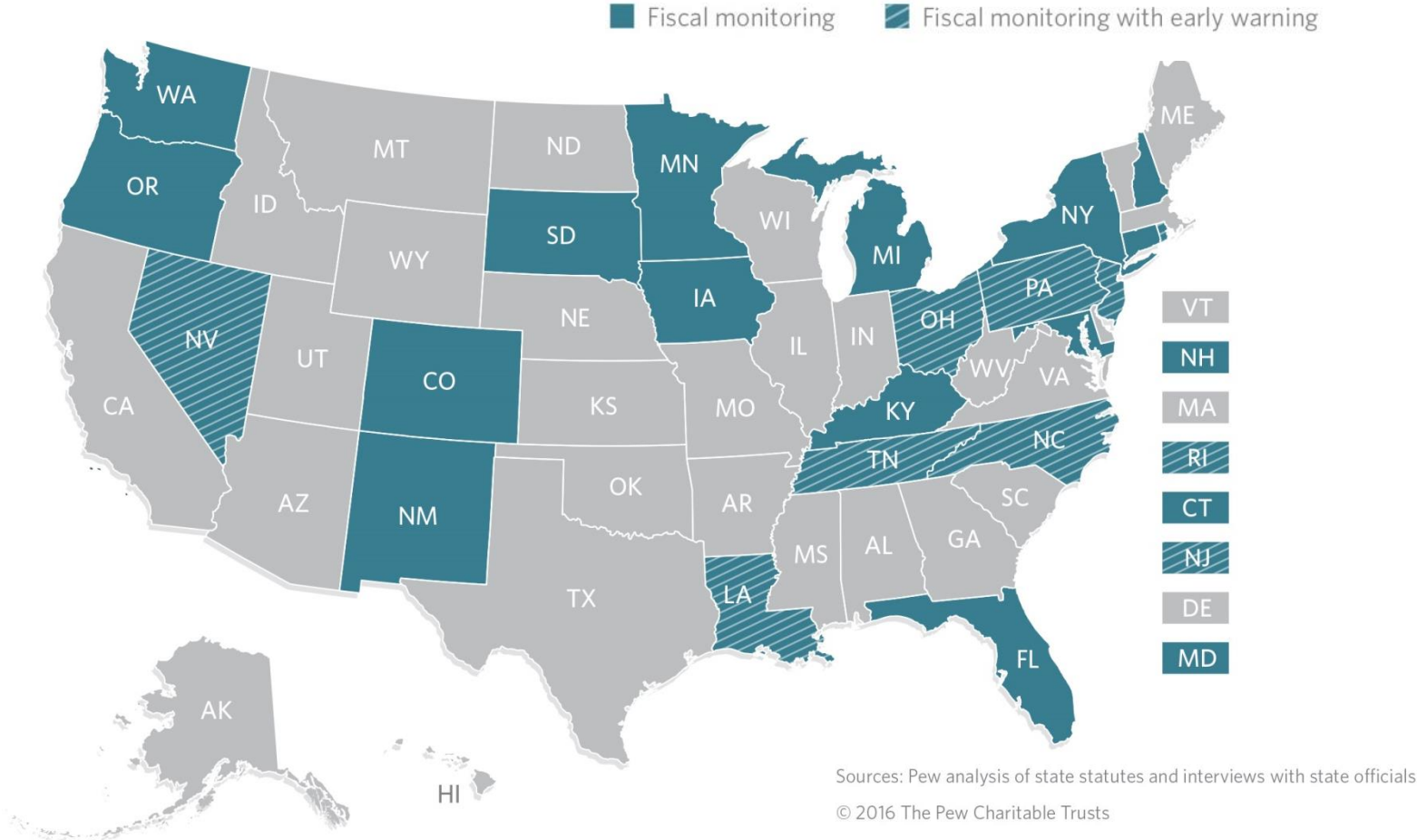
Fiscal monitoring defined:

- States that actively and regularly review financial information from local governments in order to assess the fiscal condition of local governments and/or identify signs of distress

What we included:

- General purpose local governments
- Counties, cities, towns, and villages

Fiscal monitoring across the United States



Who is monitoring?

- Auditor (FL, OH, WA)
- Comptroller (NY)
- Economic development (PA)
- Finance (NM)
- Legislative auditor (LA, MD)
- Revenue/Taxation (RI, NV)
- Treasury (MI, NC)

Sources of data

- Audits
- Financial reports
- Budgets (proposed and adopted)
- Also: estimated revenues, surveys of financial condition, five-year forecasts, cash analyses, and requests to issue debt

Financial indicators

- Revenue
- Expenditure
- Operating position
- Debt
- Unfunded liability
- Capital plant

Environmental indicators

- Community needs and resources
- Short-term shock
- Intergovernmental constraint

Management practice indicators

- Missed payments
- Management issues
- Credit ratings

Examples of indicators

- Submitting audits or other financial information on time
- Deficit or minimum fund balance
- Debt service payments or debt service per capita or relative to operating revenue
- Sufficient cash for services
- Total revenue and/or expenditures per capita

More indicators

- Unrestricted fund balance level/unassigned fund balance
- Cash to liabilities ratio
- Interfund transfers to supplement the general fund
- General obligation debt/revenue or total debt per capita
- Pension plan funding ratios

Some state updates

- Virginia
- Colorado
- Ohio
- Massachusetts

Data collection challenges

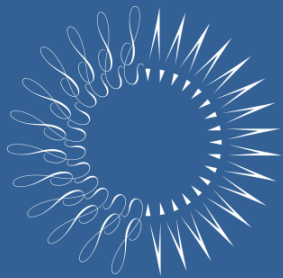
- Data quality/standardization
 - Use third party datasets or checks by an auditor
 - Automation
 - Differences among local governments
 - Uniform chart of accounts
 - Cash vs. GAAP accounting
- Resources (lack thereof)
- Lags in data

Other considerations?

- More indicators \neq better
- Fiscal dashboards not necessarily connected to fiscal monitoring/intervention
- Who is the data intended for?
 - State
 - Local gov'ts
 - Public/researchers/journalists?

Conclusion

- State governments are already collecting fiscal data from local governments
- Data as a starting point for conversation
- Fiscal monitoring, transparency, accountability



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