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State of New York: Fitch New Issue Report

Revenue Framework - 'aa' New York State's revenue base is diverse and has solid growth prospects above the level of long-term inflation but below U.S. GDP, driven by its diverse, wealthy economic profile. The tax base, concentrated in the large PIT component, is economically sensitive. The state has complete independent legal control over revenue. Expenditure Framework - 'aaa' The natural pace of New York's spending growth, driven by education and Medicaid funding demands, is likely to be marginally above revenue growth over time, requiring ongoing budget management. The state has ample flexibility to control spending. Long-Term Liability Burden - 'aaa' New York State's long-term liability burden, including debt and net pension liabilities, is near the median for U.S. states as a percent of personal income and an overall low burden on resources. Most long-term liabilities are for debt, rather than pensions, with relatively flat growth over the past decade. Net pension liabilities as a percentage of personal income are well below the state median, with the state utilizing conservative actuarial assumptions. Operating Performance - 'aa' Formal budgetary reserves historically have been modest relative to cyclical revenues, but have grown rapidly in recent years, along with the expansion of nonstatutory reserves. Financial resilience is still driven largely by the state's willingness to quickly adjust revenues and expenditures in response to fiscal deterioration, and its ability to build considerable flexibility into its regularly updated multi-year financial plans to absorb fiscal volatility. Budgeting practices, including statutory growth caps on Medicaid

ACCESS REPORT

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