

Local Government Snapshot



NEW YORK STATE OFFICE OF THE STATE COMPTROLLER

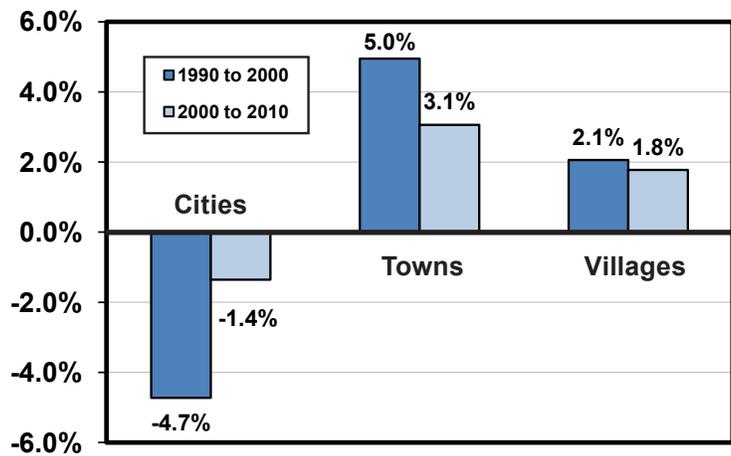
Thomas P. DiNapoli • State Comptroller

October 2011

2010 Census: Implications for New York State's Local Governments

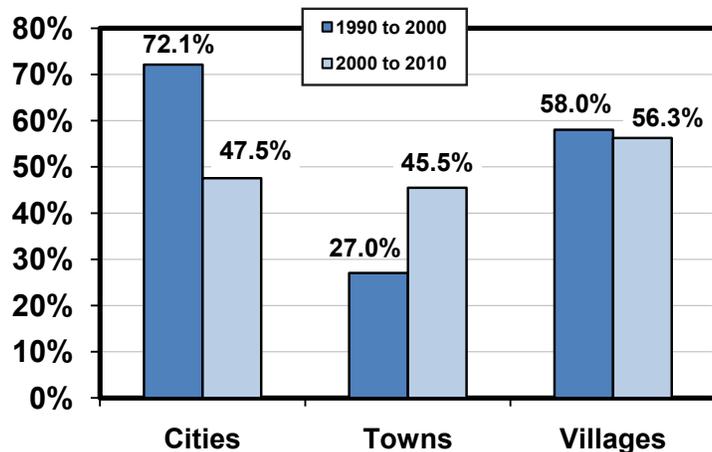
- New York State's population increased by 2.1 percent between 2000 and 2010 – the fifth slowest rate of growth among all states nationwide. Although the State's total population growth was relatively stagnant, the changes have been more pronounced at the local and regional levels.
- The rate of population growth has slowed in towns and remained relatively stable in villages. Between 1990 and 2000, the population residing in towns grew by 5.0 percent, compared to 3.1 percent between 2000 and 2010. In the last decade, over 45 percent of the State's 932 towns experienced a population decline.
- For cities, the rate of population decline has slowed. Between 1990 and 2000, the population in cities declined by nearly 5.0 percent, compared to a decrease of 1.4 percent between 2000 and 2010. Further, only 29 of the State's 61 cities (excluding New York City) experienced a decline in the past decade, compared to 44 cities in the prior ten year period. However, for the State's hardest-hit cities, population loss has continued unabated.
- Changes in population affect local governments in a myriad of ways: gains or losses in population cause a shift in the local tax base, drive adjustments in State and federal revenue allocations, and influence the demand for municipal services and infrastructure.

Population Change by Type of Government



Source: U.S. Census Bureau
Note: Excludes New York City

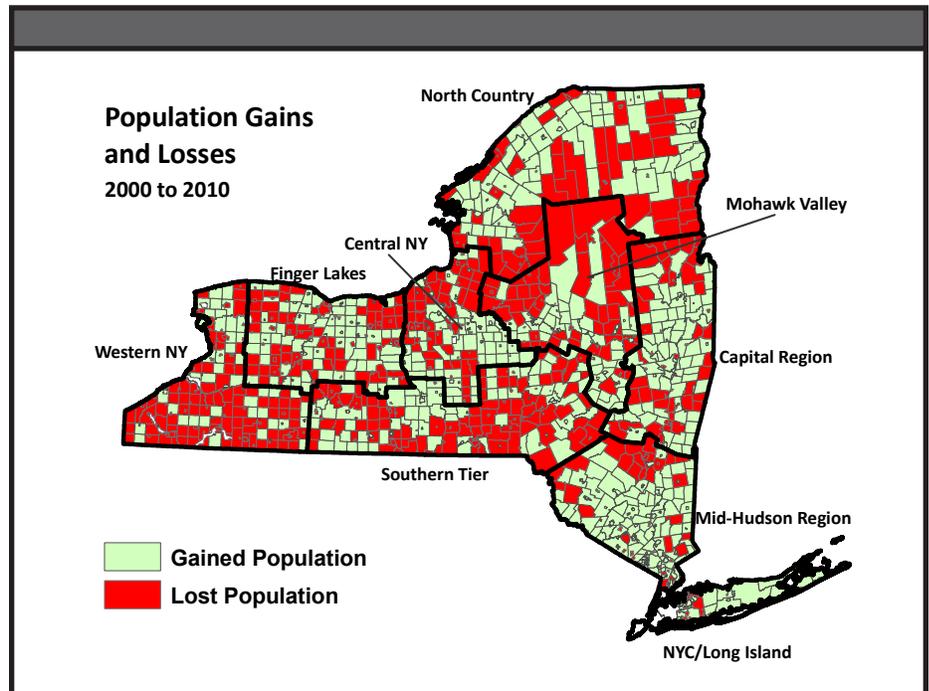
Percentage of Units Declining



Local Government Snapshot

Regional Patterns

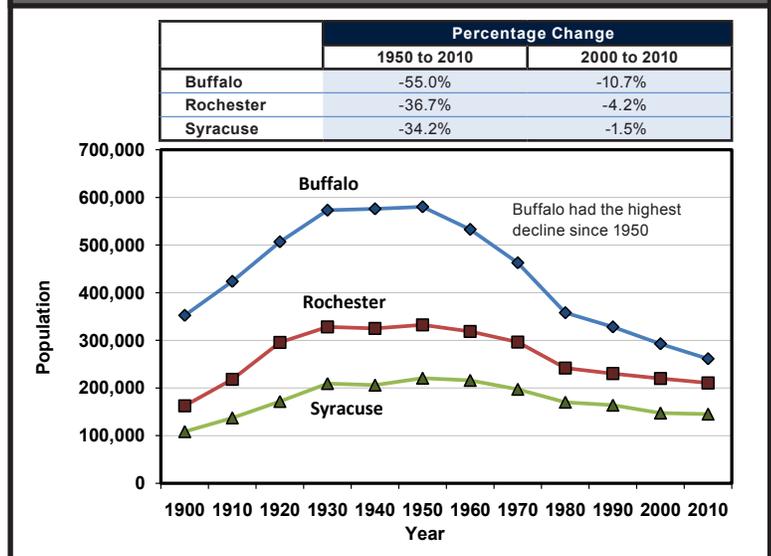
- Population changes have varied across the State.¹ In downstate regions, the overall picture is one of slowed but sustained growth. However, in the Mid-Hudson Region, where population growth has generally been strongest, roughly 25 percent of the region's cities, towns and villages experienced losses in the past decade.
- Upstate regions generally have experienced an increase in population over the past decade. The single exception is Western New York, where the population declined by 3 percent. All of the region's cities, 77 percent of its villages and two-thirds of its towns experienced a net loss in population.



City Trends

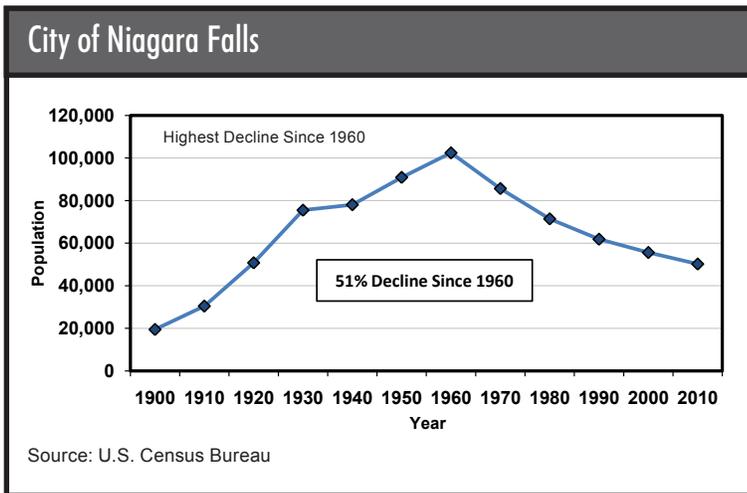
- While the population decrease in many of the State's cities appears to have slowed a declining trend from decades before, this leveling-off (and/or recent growth) does not negate the cumulative losses of prior decades. Of the 32 cities whose population grew since 2000, 21 remained below their 1970 population level, and 17 cities were below the 1990 level. Nearly 70 percent of the State's cities have a 2010 population that is below that of 1950.
- The long-term trajectory for population growth for certain upstate cities is cause for concern. Niagara Falls has had the most rapid population decline since 1960, and Buffalo is New York State's hardest hit city, with a 55 percent population decrease since 1950. If the trend of the past decade continues, Buffalo may have as few as 233,000 residents by 2020 and Niagara Falls as few as 45,000. The population in both Rochester and Syracuse has decreased by more than a third since 1950. For Syracuse, however, the population decline has leveled off in the past decade, while Rochester continues to lose population.

The Three Large Upstate Cities



Local Government Snapshot

While people have moved, the buildings and boundaries of the cities have not—leaving local officials with the dilemma of having to provide services within the same geographic areas. These areas of population loss are often overcome with blight, vacancies and escalating crime. Mayors of some of the hardest-hit cities have begun to take action to “right-size” their cities in an effort to realign the needs of the residents and the built environment.



Local Challenges

Sales Tax. Forty-six counties currently distribute a portion of their sales tax revenues to local governments within their borders, and these distributions are often based, at least in part, on population. Several cities that have lost population from 2000 to 2010 (or did not grow as quickly as surrounding towns) may face losses in sales tax revenue. We estimate that there are ten cities for which the loss could exceed \$80,000 if adjustments are not made in the existing sales tax sharing agreements (see table).

Property Tax. The property tax base is generally tied to the economic well-being of a community. Those areas that have lost population also have the least favorable changes in property values. We found that every 1 percent increase (or decrease) in population was associated with a 3 percent increase (or decrease) in property values.² This relationship is especially strong for cities. Property value growth for cities that lost population was roughly one-half that of those that have gained population, and for many of these cities, property values did not keep pace with inflation over the decade.

Services for an Aging Population. As migration patterns play out over time, and the baby-boomer generation ages, the population of New York State continues to age as well. From 2000 to 2010, the median age of New Yorkers increased by two years to 38, and the number of adults between 55 and 64 has increased 37 percent. As a result, local governments are likely to face increasing pressure to provide services to the growing elderly population. Notably, it has been projected that the greatest demand will occur in those communities that have also suffered from economic decline and fiscal stress—presenting a dual challenge for State and local policy makers.³

Ten Cities that Could Lose Over \$80,000 in Local Sales Tax Revenue Sharing

Buffalo	-\$2,709,000
Niagara Falls	-\$814,000
Elmira	-\$238,000
Canandaigua	-\$219,000
North Tonawanda	-\$212,000
Geneva	-\$194,000
Lockport	-\$138,000
Hudson	-\$117,000
Long Beach	-\$103,000
Watervliet	-\$84,000

Estimated using 2000 and 2010 Census, and 2010 sales tax collections.

Source: US Census Bureau; Department of Taxation and Finance, Office of Tax Policy Analysis, Sales Tax Cash Distribution Database; Additional calculations by Office of the State Comptroller.

Local Government Snapshot

■ Zoning, Infrastructure and Planning.

Many of the State's communities with the most growth in population between 2000 and 2010 were already quite densely populated. Among the 24 cities, towns and villages with the highest increase in population (see table), one third were found to have above-average population density in 2000. Local officials in these areas may need to develop policies to alleviate overcrowding and maintain service levels necessary to protect public safety and health. Conversely, areas that have declined in population may have to adjust their operations to serve a now-smaller population.

■ Federal Dollars.

Congress relies on the Census data to allocate funds for 215 federal assistance programs. Allocation formulas for many programs (e.g., Medicaid, education and highway aid) are partially based on population. New York's population trends suggest its share of these federal funds may be in jeopardy.⁴ The State's census-based figures guided the distribution of \$44.8 billion in 2008, which equates to \$2,300 per capita. While the largest portion of these funds went directly to the State in the form of formula grants to aid low income households and support highway infrastructure, many programs provide payments to local agencies as well, either directly or as sub-grantees of the State.

High-Growth Municipalities

Municipality	County	Population		Percentage Change
		2000	2010	
Town of Romulus	Seneca	2,036	4,316	112%
Village of Brookville	Nassau	2,126	3,465	63%
Village of Kiryas Joel *	Orange	13,138	20,175	54%
Village of New Square *	Rockland	4,624	6,944	50%
Town of Victor	Ontario	9,977	14,275	43%
Village of Kaser *	Rockland	3,316	4,724	42%
Town of Canandaigua	Ontario	7,649	10,020	31%
Town of Wilton	Saratoga	12,511	16,173	29%
Town of Wheatfield	Niagara	14,086	18,117	29%
Town of Attica	Wyoming	6,028	7,702	28%
Town of Beekman	Dutchess	11,452	14,621	28%
Town of Lumberland	Sullivan	1,939	2,468	27%
Town of Monroe *	Orange	31,407	39,912	27%
Town of Minisink	Orange	3,585	4,490	25%
Village of Fishkill *	Dutchess	1,735	2,171	25%
Village of Spring Valley *	Rockland	25,464	31,347	23%
Village of Montebello	Rockland	3,688	4,526	23%
Town of Greenville	Orange	3,800	4,616	21%
Town of Riverhead	Suffolk	27,680	33,506	21%
City of Rensselaer *	Rensselaer	7,761	9,392	21%
Village of Hamilton *	Madison	3,509	4,239	21%
Town of Barrington	Yates	1,396	1,681	20%
Town of Theresa	Jefferson	2,414	2,905	20%
Town of Woodbury	Orange	9,460	11,353	20%

Note: Municipalities with fewer than 1,000 residents were excluded.

* = Above average population density in 2000

¹ The region in which a municipality is located is a strong predictor of population change. Nearly 43 percent of the variability in the population change measure can be explained by using only the region. The region-effect on population is notably weaker for towns.

² Based on a county-level analysis, controlling for upstate/downstate differences.

³ Richard Deitz and Ramon Garcia (2007). *The Demand for Local Services and Infrastructure Created by an Aging Population*. Upstate New York Regional Review 2, No.1. The Federal Reserve Bank of New York.

⁴ Andrew Reamer (March 2010). *Counting for Dollars: The Role of the Decennial Census in the Geographic Distribution of Federal Funds*. The Brookings Institution, Metropolitan Policy Program.



New York State Office of the State Comptroller
 Division of Local Government and School Accountability
 110 State Street, 12th Floor • Albany, New York 12236