

ISS ESG MUNI QUALITYSCORE

ISS ESG's Muni QualityScore provides a detailed assessment of socioeconomic risks faced by upwards of 29,000 U.S. cities/towns, 3,140 counties, 13,500 school districts and all 50 U.S. states.

Currently utilizing 77 scores from the respective datasets: the individual scores determine the ranking for each covered City/Town, County, State, and School District, both statewide, and nationally, for each data input. Each individual score is then combined to create one final value (total score) per City/Town, County, State, and School District – the total or final score is then utilized to determine the final ranking and Muni QualityScore for each of these respective entities.

Scores are calculated by summing the total from all Cities/Towns, Counties, States, and School Districts for the variable in question and then determining the individual City/Town, County, State, or School Districts weight, or contribution to the total. By determining the relative value for each variable (i.e., score), the ISS ESG Muni QualityScore can determine the appropriate final Ranking and ESG score for each City/Town, County, State, and School District, while not simply depending on the underlying ranking.

Outputs

ISS ESG Muni QualityScore rankings are updated no later than thirty days following standard fiscal quarter dates to reflect the new releases of any census and other data utilized from quasi government sources. Data is available with history from 2009 onwards.

The scores are decile scores, 1 – 10, as well as letters (AAA – CCC), which represent a relative measure based on the raw score calculations of the other similarly situated municipal entities. A score in the 1st decile indicates a relatively lower level of risk factors that comprise the score, and conversely, a score in the 10th decile indicates a relatively greater level of risk factors that comprise the score. A score of “AAA” indicates the lowest possible risk, where a score of “CCC” indicates the highest possible risk. All outputs/results/scores are quantitative in nature, with scores determined through statistical analysis.

Research Process

The Muni QualityScore does not survey obligors, and instead relies entirely on non-interpretive data from government, quasi-government, and special interest groups.

The research process can be broken down as follows:

- **Data Collection:** Muni QualityScore collects data from a range of sources including: FBI, CDC, U.S. Census, DOI, EPA, FEMA, EIA, as well as other publicly available datasets. Data includes demographics, environmental factors, as well as employment, crime, and health figures. As of June 2022, all research input for the ISS ESG Muni QualityScore is quantitative in nature.
- **Quality Assurance:** Experienced analysts review the accuracy of collected data, normalize the data, and compare the data to previous collections, as well as to their data of their peers.
- **Data Verification:** If a dataset is deemed to have unresolved questions, it is held and not utilized until it can be confirmed and then put into the next quarter cycle for utilization.

Use of Estimated Data

ISS ESG's Muni QualityScore does not incorporate any estimated data, although a very small percentage of data related to Coal Ash Impoundments is calculated.

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