

Fiscal Stress Monitoring System

Division of Local Government and School Accountability

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Fiscal Stress Monitoring System

Agenda

- Fiscal Stress Monitoring System 101
- Upcoming Score Release
- Key Takeaways
- 2024 Preliminary Results
- Resources – How We Can Help
- Q & A



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Fiscal Stress Monitoring System 101

Purpose

- To identify local governments and school districts that are in fiscal stress or susceptible to fiscal stress
- To identify for local officials the need to act in a timely manner to improve financial trends
- [System Basics](#)



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Fiscal Stress Monitoring System 101

Timing of Release

- 3 Releases per year
 - In the Winter (January), Spring (March), and Fall (September)
- FSMS Scores are calculated using data from the Local Government's Annual Financial Report.

Release Type	Fiscal Year(s) Ending	Timing of Release
Schools	June 30	1st Quarter
Non-Calendar Year Local Governments: Some cities (including Big 4) and most villages	February 28 March 31 May 31 June 30 July 31	2nd Quarter
Calendar Year Local Governments: All counties and towns, most cities and a few villages	December 31	3rd Quarter



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Fiscal Stress Monitoring System 101

- Fiscal Stress Score
- Environmental Stress Score



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Fiscal Stress Score

Financial Indicators	Fiscal Stress Financial Indicators	Manimum Points
1	Assigned and Unassigned Fund Balance as a Percentage (%) of Gross Expenditures	25
2	Total Fund Balance as a Percentage (%) of Gross Expenditures	25
3	Operating Deficits	10
4	Cash Ratio - Cash and Investments as a Percentage (%) of Current Liabilities	10
5	Cash as a Percentage (%) of Monthly Gross Expenditures	10
6	Short-Term Cash-Flow Debt Issuance as a Percentage (%) of Total Revenues	5
7	Short-Term Cash-Flow Debt Issuance Trend	5
8	Personal Service and Employee Benefits as a Percentage (%) of Total Revenues (3 year avg)	5
9	Debt Service as a Percentage (%) of Total Revenues (3 year avg)	5
		100

Fiscal Stress Classification	Point Range (Out of 100 total pts)	Local Govt. Type	General Fund	Combined Funds
Significant	65 - 100	Cities	A	A, FX, G, ES, EW
Moderate	55 - 64.9	Counties	A	A, D, DM, FX, G, All Enterprise Funds
Susceptible	45 - 54.9	Towns	A, DA	A, B, DA, DB, FX, G, SS, SW, ES, EW
No Designation	0 - 44.9	Villages	A	A, FX, G, ES, EW



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Environmental Stress Score

Environmental Indicators	Fiscal Stress Environmental Indicators	Maximum Points
1	Change in Population	10
2	Percentage of Households with Public Assistance	20
3	Percentage of Population Under 18 & Over 65	10
4	Percentage Change in Home Value	20
5	Median Household Income	10
6	Unemployment Rate	10
7	Reliance on State and Federal Aid	20
		100

Environmental Stress Classification	Point Range (Out of 100 total pts)
Significant	50 - 100
Moderate	40 - 49.9
Susceptible	30 - 39.9
No Designation	0 - 29.9

Unlike the financial indicators, environmental indicators are generally outside the direct control of local officials.



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Fiscal Stress Monitoring System

Upcoming Release for Calendar Year Filers

Communication Emails

- Local Governments in Fiscal Stress – already sent
- All Local Governments – just prior to release



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Key Takeaways

- Be Prepared
- Environmental Stress Score Reminder
- OSC's Website Resources



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Fiscal Year End 2024 Update (*Preliminary*)

Calendar and Non-Calendar Year Municipalities

(counties, cities, towns and villages)



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Preliminary Results for FYE 2024

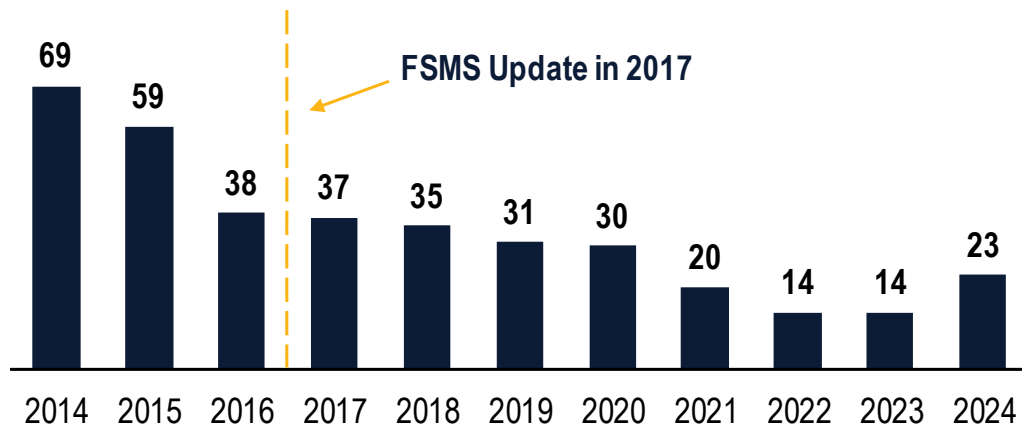
- A total of 23 municipalities (1.7% of all entities scored) were designated in some level of fiscal stress.
 - Increase of 9 entities designated in stress compared to both FYE 2022 and 2023, although total designations in 2024 was still well below the all-time high.
- By class, 10 villages, 9 towns and 4 cities were designated in fiscal stress; no counties received a stress designations for the fourth consecutive year.
- Multiple factors, including the end of federal pandemic relief aid, as well as low sales and use tax growth, may have contributed to the increase in fiscal stress designations.



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Fiscal Stress Designations Over Time



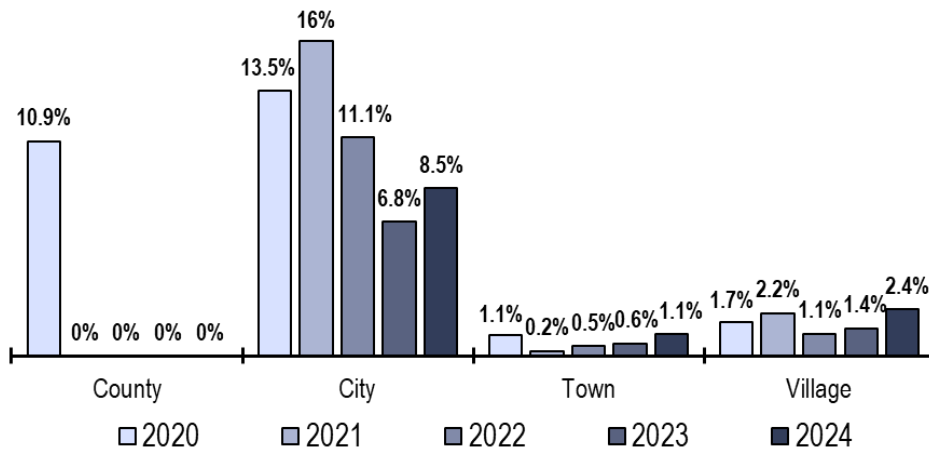
Preliminary Results



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Fiscal Stress Designations by Class



Preliminary Results



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Contributing Factors to Increased Stress

- The following factors may have contributed to the increase in fiscal stress designations in FYE 2024:
 - Completion of federal stimulus payments from the American Rescue Plan Act (ARPA);
 - Weak sales and use tax growth;
 - Flattened state aid; and
 - Moderating property tax revenues.
- The possible continuation of low sales and use tax growth, as well as other stagnant revenue sources, could be detrimental to entities that heavily relied on ARPA funding, and may result in more fiscal stress designations down the road.

Preliminary Results

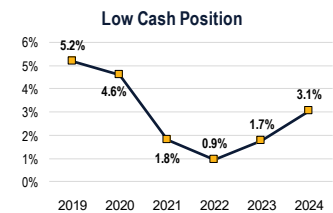
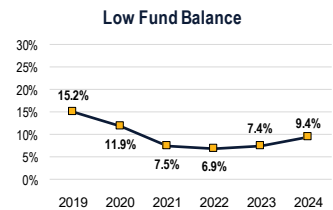


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Notable Fiscal Stress Indicators

- The percentage of municipalities with a low fund balance increased for the second straight year in FYE 2024, rising to its highest level since 2020.
 - This indicator category accounts for half (50%) of the total fiscal stress score.
- The percentage of municipalities with a low cash position increased in FYE 2024 to 3.1 percent, its highest level since 2020.
 - This indicator category accounts for 20% of the total fiscal stress score.



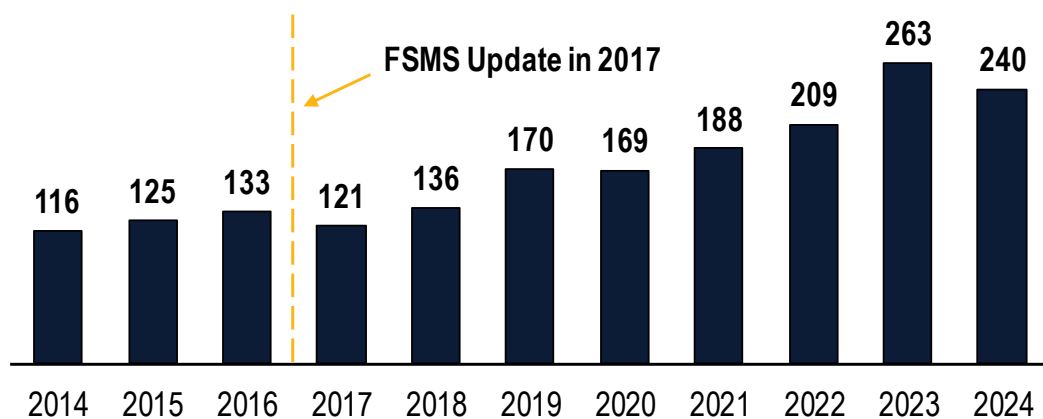
Preliminary Results



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FSMS Non-Filer Trends



Preliminary Results



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Environmental Stress

- Environmental stress indicators are designed to assess critical areas that are outside the immediate control of local governments.
- The FSMS report (to be released towards the end of the month) will include environmental stress indicator analysis for FYE 2024, including:
 - **Population decline** (measured over the previous five-year period);
 - **Large non-working age population** (as a share of the total population);
 - **Low tax base growth** (the change in median home value compared to housing inflation over the previous five-year period);
 - **High unemployment rate** (at or above 8 percent); and
 - **Reliance on state and federal aid** (as a share of total revenues).

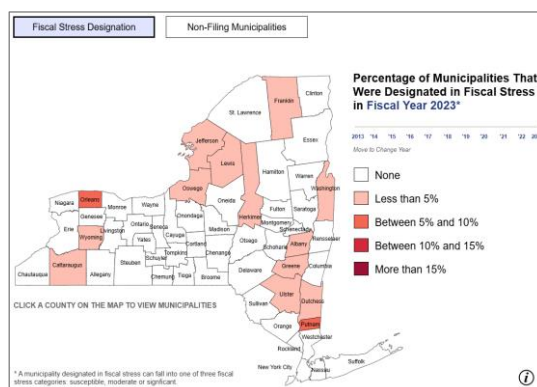


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Updated FSMS Visualization

- Later this month, we will update our FSMS interactive map, which will allow users to view the filing status, fiscal stress designation and score for each local government from FYEs 2014 to 2024.
- This product lets users track FSMS non-filing local governments in order to promote transparency and accountability.



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Resources

Fiscal Stress Monitoring System Webpage

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Fiscal Stress Monitoring System

State Comptroller Thomas P. DiNapoli created an early warning system for communities and school districts with fiscal problems. Alerting everyone to potential problems gives local officials and taxpayers the opportunity to be more proactive. Read the [System Basics](#) document to learn more.

Search for a local government or school district.

[Search Now](#)

Lists	Tools
Local Governments School Districts Search Tool	Self-Assessment Tool Capital Planning Webinar Multiyear Planning Webinar
Publications	Help
System Manual Research Reports Financial Condition Audits Archived System Publications	System Enhancements Indicator Reference Guides Training and Webinars Archived System Data



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Resources

Financial Toolkit for Local Officials

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Financial Toolkit for Local Officials

Local government and school district leaders are faced with unprecedented challenges including simultaneously managing public health responses and the budgetary impacts of financial crises. LOSA has many resources that can be useful to local officials as they deal with revenue disruption and rising demands for services. On this page we have provided links to guidance, tools, training and reports available on the Division's web pages to assist you.

- [Is My Municipality in Fiscal Stress?](#)
- [Addressing a Current Budget Deficit](#)
- [Budgeting in Future Years](#)
- [Cash Flow Management Strategies](#)



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Resources

Self-Assessment Tool

Fiscal Stress Monitoring System®
Search Tool

Reset Filters Download All Data

Fiscal Year Ending	Class	Local Government/School District Name	County	Stress Designation	Region	Fiscal Scores			Environmental Score	Self-Assessment Tool (.xls)
						Current Year	1 Year Prior	2 Years Prior		
2024	City	Amsterdam	Montgomery	No Designation	Mohawk Valley	0.0	0.0	1.7		Download
2024	City	Auburn	Cayuga	No Designation	Central New York	15.6	17.5	23.8		Download
2024	City	Batavia	Genesee	No Designation	Finger Lakes	0.0	0.0	3.3		Download
2024	City	Buffalo	Erie	No Designation	Western New York	25.0	0.0	6.3		Download
2024	City	Corning	Steuben	No Designation	Southern Tier	0.0	0.0	0.0		Download
2024	City	Hamlet	Steuben	No Designation	Southern Tier	0.0	0.0	0.0		Download
2024	City	Lackawanna	Erie	No Designation	Western New York	3.3	-	-		Download
2024	City	Long Beach	Nassau	No Designation	Long Island	12.9	7.9	20.8		Download
2024	City	Olean	Cattaraugus	No Designation	Western New York	35.0	5.0	-		Download
2024	City	Rensselaer	Rensselaer	Not Filed	Capital District	-	-	-		Download
2024	City	Rochester	Monroe	No Designation	Finger Lakes	12.5	6.3	0.0		Download
2024	City	Salamanca	Cattaraugus	Not Filed	Western New York	-	-	-		Download
2024	City	Syracuse	Onondaga	No Designation	Central New York	0.0	-	-		Download



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Contact Us

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– Option 4 for Data Management Unit



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Questions?

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