

Division of Local Government and School Accountability

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Fiscal Stress Monitoring System



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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)
Significant	65 - 100
Moderate	55 - 64.9
Susceptible	45 - 54.9
No Designation	0 - 44.9

Local Govt. Type	General Fund	Combined Funds
Cities	A	A, FX, G, ES, EW
Counties	A	A, D, DM, FX, G, All Enterprise Funds
Towns	A, DA	A, B, DA, DB, FX, G, SS, SW, ES, EW
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 2025 Update

Preliminary Results

Calendar and Non-Calendar
Year Municipalities
(counties, cities, towns and villages)

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Preliminary Results for FYE 2025

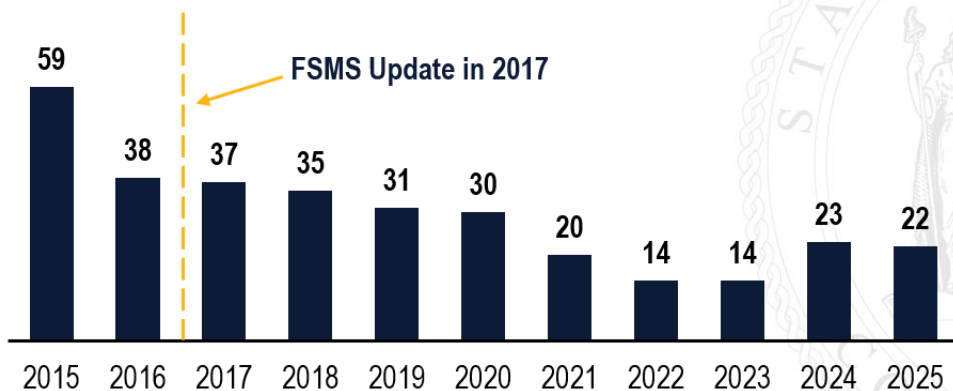
- A total of 22 municipalities (1.6% of all entities scored) were designated in some level of fiscal stress.
 - Down from 23 in stress in FYE 2024, but up from the historic lows of 2022 and 2023, when many municipalities benefited from federal pandemic aid and extremely strong sales tax revenue.
- By class, 8 cities, 8 villages, and 6 towns were designated in fiscal stress; no counties received a stress designation for the fifth consecutive year.
- The end of federal pandemic aid, inflation and other cost drivers above the 2% tax cap, and modest growth in key revenue sources may be part of the reason why fiscal stress designations are up in recent years.

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Fiscal Stress Designations Over Time



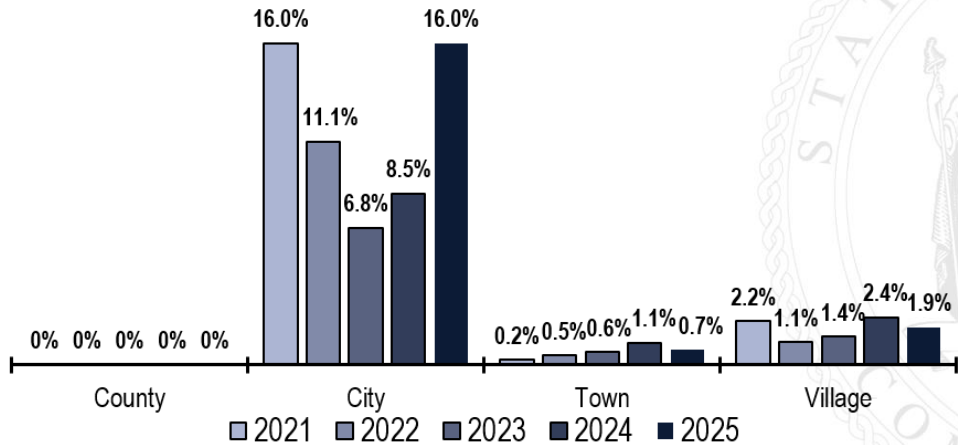
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Preliminary Results

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Fiscal Stress Designations by Class



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Preliminary Results

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Contributing Factors to Increased Stress

- While the number of fiscal stress designations in FYE 2025 remained below pre-pandemic levels, the following factors may have contributed to the recent rise in stress designations.
 - Completion of federal stimulus payments from the American Rescue Plan Act (ARPA);
 - Inflation and other cost drivers remaining above the 2% tax cap combined with local property tax decisions; and
 - Modest sales tax growth.
- The volatility of sales tax growth, uncertainty around other key revenue sources and increasing costs could continue to put fiscal pressure on local governments.

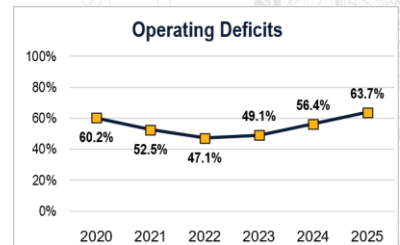
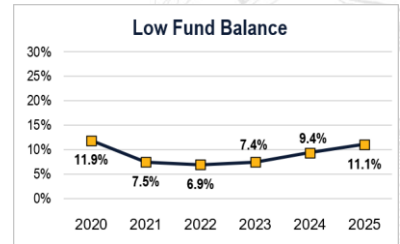
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Notable Fiscal Stress Indicators

- The percentage of municipalities with a low fund balance increased for the third straight year in FYE 2025, 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 an operating deficit increased for the third straight year in FYE 2025, reaching its highest level over the past six years.
 - This indicator category accounts for 10% of the total fiscal stress score.



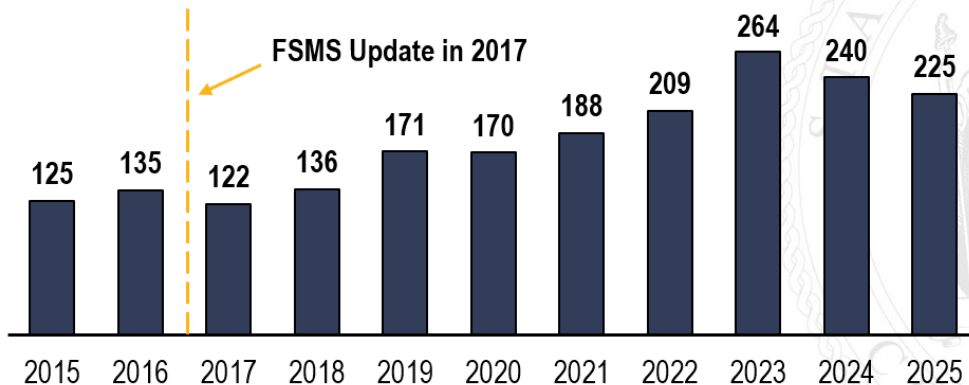
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Preliminary Results

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FSMS Non-Filer Trends



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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. These indicators include:
 - **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%); and
 - **Reliance on state and federal aid** (as a share of total revenues).

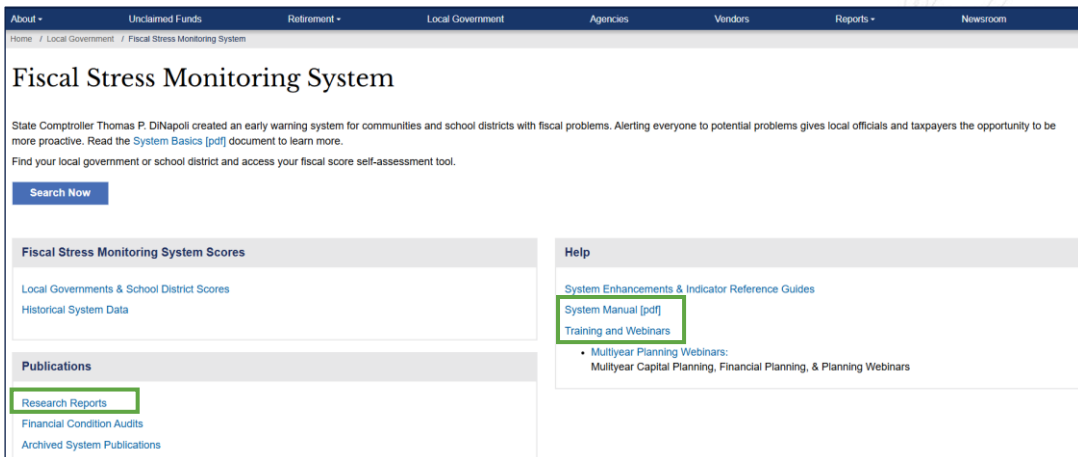
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Resources

Fiscal Stress Monitoring System Webpage

A screenshot of the Fiscal Stress Monitoring System webpage. The page has a dark blue header with navigation links: About, Unclaimed Funds, Retirement, Local Government, Agencies, Vendors, Reports, and Newsroom. Below the header, the page title is "Fiscal Stress Monitoring System". The main content area includes a paragraph about the system's purpose, a "Search Now" button, and three sections: "Fiscal Stress Monitoring System Scores" (with links to Local Governments & School District Scores and Historical System Data), "Publications" (with links to Research Reports, Financial Condition Audits, and Archived System Publications), and "Help" (with links to System Enhancements & Indicator Reference Guides, System Manual [pdf], and Training and Webinars). The "Research Reports" link in the Publications section and the "System Manual [pdf]" link in the Help section are highlighted with green boxes.

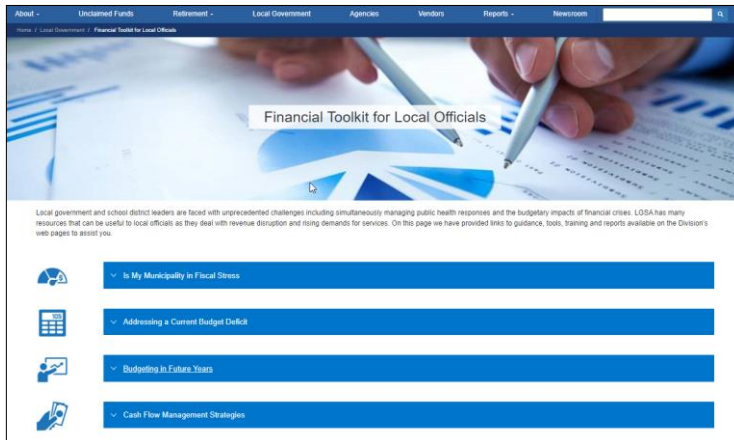
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Resources

Financial Toolkit for Local Officials



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Self-Assessment Tool

Fiscal Stress Monitoring System®										
Search Tool										
Download All Data										
						Fiscal Scores				
Fiscal Year Ending	Class	Local Government / School District	County	Stress Designation	Region	Current Year	1 Year Prior	2 Years Prior	Environmental Score	Self-Assessment Tool
2025	Village	Adams	Jefferson	No Designation	North Country	6.7	3.3	3.3	16.7 Download	
2025	Village	Addison	Steuben	No Designation	Southern Tier	0.0	-	11.3	13.3 Download	
2025	School	Adirondack	Steuken	Subsistence	Southern Tier	26.7	6.7	3.3	15.0 Download	
2025	School	Adirondack	Oneida	No Designation	Mohawk Valley	3.3	20.0	3.3	5.0 Download	
2025	Village	Afton	Chenango	No Designation	Southern Tier	6.7	3.3	3.3	36.7 Download	
2025	School	Afton	Chenango	No Designation	Southern Tier	6.7	0.0	0.0	23.3 Download	
2025	School	Akron	Erie	No Designation	Western New York	0.0	0.0	0.0	0.0 Download	
2025	Village	Akron	Erie	No Designation	Western New York	0.0	0.0	0.0	6.7 Download	
2025	School	Albany	Albany	No Designation	Capital District	13.3	10.0	0.0	36.7 Download	
2025	School	Albion	Orleans	No Designation	Finger Lakes	0.0	0.0	0.0	18.3 Download	
2025	Village	Albion	Orleans	No Designation	Finger Lakes	31.7	-	-	40.0 Download	
2025	Village	Alden	Erie	No Designation	Western New York	0.0	0.0	0.0	0.0 Download	
2025	School	Alden	Erie	No Designation	Western New York	0.0	0.0	0.0	10.0 Download	
2025	Village	Alexander	Genesee	Moderate	Finger Lakes	58.3	5.0	3.3	3.3 Download	
2025	School	Alexander	Genesee	No Designation	Finger Lakes	6.7	10.0	13.3	5.0 Download	
2025	School	Alexandria	Jefferson	No Designation	North Country	0.0	0.0	0.0	10.0 Download	
2025	Village	Alexandria Bay	Jefferson	No Designation	North Country	1.7	5.0	5.0	40.0 Download	
2025	Village	Alfred	Allegany	No Designation	Western New York	6.7	-	-	23.3 Download	
2025	School	Alfred-Almond	Allegany	No Designation	Western New York	0.0	0.0	3.3	0.0 Download	

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- Option 4 for Data Management Unit

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Questions?

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