



Office of the NEW YORK STATE  
**COMPTROLLER**

## Fiscal Stress Monitoring

### System Enhancements For School Districts

The following tables summarize enhancements to the Fiscal Stress Monitoring System. These changes apply to all scores calculated using 2017 fiscal year end data and later (first release in January, 2018). In general, the modifications to the financial indicators are limited in scope. The environmental indicator enhancements are more extensive, improving the accessibility of this data for the public while preserving the original concepts.

School District Financial Indicators For Fiscal Stress Scoring	
Critical Area	Description of Change
Fund Balance	<b>Indicator 1:</b> Add the reserve for tax reduction account code (916) to unassigned fund balance.
Operating Deficit	<b>Indicator 3:</b> Remove points for a large deficit (less than or equal to -3%) in the current fiscal year.
Short-Term Cash Flow Borrowing	<b>Indicator 6 and 7:</b> Replace Indicator 6 – short-term debt issuance and Indicator 7 – short-term debt issuance trend with a new short-term cash-flow debt reliance indicator, which is based on the percent change in the amount of short-term cash-flow debt issued during the current fiscal year, compared to the prior fiscal year
Multiple	Remove the transfers to capital projects account code (9950.9) from “Gross Expenditures” within all relevant indicators (1, 2, 3, and 5).  “Gross Expenditures” are now defined as expenditures plus other uses (transfer activity), less transfers to capital projects.

For more details about the System, see the Fiscal Stress Monitoring System webpage.

[www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm](http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm)

## School District Environmental Indicators For Environmental Stress Scoring

Concept	Original System	Enhanced System	Reason for Change
<b>Revenue Stressor:</b> Tax Base	<ul style="list-style-type: none"> <li>Percentage Change in Full Value (Four-Year Average of Year-over-Year Change)</li> <li>Stress Condition: Full value declining by 1 percent or more</li> <li>Source: New York State Department of Taxation and Finance</li> </ul>	<ul style="list-style-type: none"> <li>Unchanged from Original System</li> </ul>	
<b>Revenue Stressor:</b> Budget Support	<ul style="list-style-type: none"> <li>Number of Defeats on First Vote (Four Years)</li> <li>Change in First-Vote Approval Percentage (4-Year Average Change)</li> <li>Stress Condition: Budget is defeated more than once in 4 years or support for budget is declining and low</li> <li>Source: New York State Education Department</li> </ul>	<ul style="list-style-type: none"> <li>Approval Percentage for Budget Vote (Most Current Year)</li> <li>Stress Condition: Approval percentage does not exceed 70 percent</li> <li>Source: New York State Education Department</li> </ul>	<ul style="list-style-type: none"> <li>Current level of support for the budget is most closely tied to budgetary solvency.</li> </ul>
<b>Cost Driver:</b> Poverty	<ul style="list-style-type: none"> <li>Free or Reduced Priced Lunch Percentage (3-Year Average)</li> <li>Stress Condition: Percentage is greater than or equal to 55 percent.</li> <li>Source: New York State Education Department</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of Economically Disadvantaged Students (Prior-Year)</li> <li>Stress Condition: Percentage is greater than or equal to 55 percent.</li> <li>Source: New York State Education Department</li> </ul>	<ul style="list-style-type: none"> <li>Fewer data anomalies</li> <li>More valid measure. Free lunch program eligibility is sometimes not directly linked to poverty. For example, the Community Eligibility Provision allows schools to provide free meals to all students.</li> </ul>
<b>Other Cost Drivers</b>	<ul style="list-style-type: none"> <li>Percentage Change in Enrollment (4-Yr Average)</li> <li>Graduation Rate</li> <li>Stress Condition: Enrollment declining by more than 1.5 percent on average, or below average graduation rate</li> <li>Source: New York State Education Department</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of English Language Learners (Prior Year)</li> <li>Common Branch Class Size (Prior Year)</li> <li>Turnover Rate of All Teachers (Prior Year)</li> <li>Stress Condition: Percentage of English Language Learners is greater than or equal to 3 Percent, Class size is 22 or higher, Turnover rate is 10 percent or more</li> <li>Source: New York State Education Department</li> </ul>	<ul style="list-style-type: none"> <li>More current, single-year data</li> <li>More complete portrayal of factors that drive costs</li> <li>Fewer data anomalies. For example, graduation rate does not apply to school districts that do not have high schools.</li> </ul>



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