

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
- 2023 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
		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 2023 Update (Preliminary)

Calendar and Non-Calendar Year Municipalities

(counties, cities, towns and villages)



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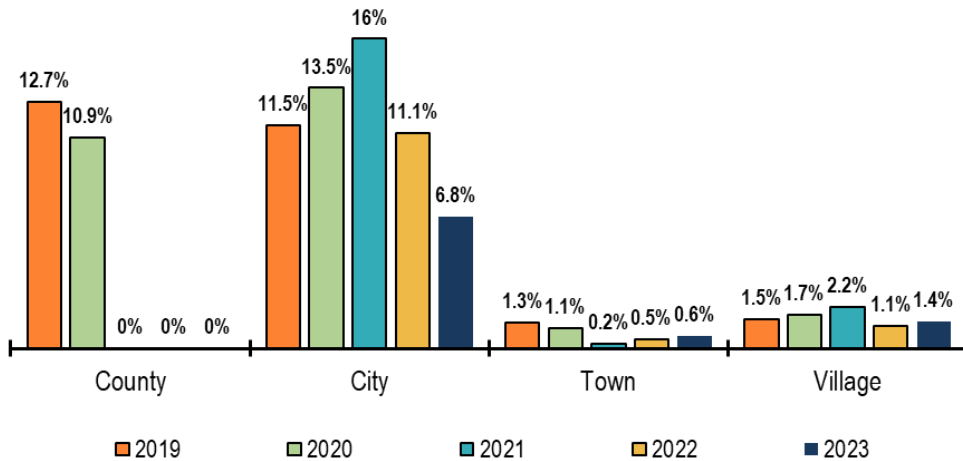
Preliminary Results for FYE 2023

- A total of 1.1% of all municipalities scored were designated in some level of fiscal stress.
- By class, cities were the most prone to stress with 6.8% designated in fiscal stress, followed by villages (1.4%) and towns (0.6%).
- No counties were designated in fiscal stress for the third consecutive year.
- Final ARPA payments helped nearly all non-calendar entities in FYE 2023. No more payments are scheduled.
- Sales tax revenues have moderated after several years of robust growth.



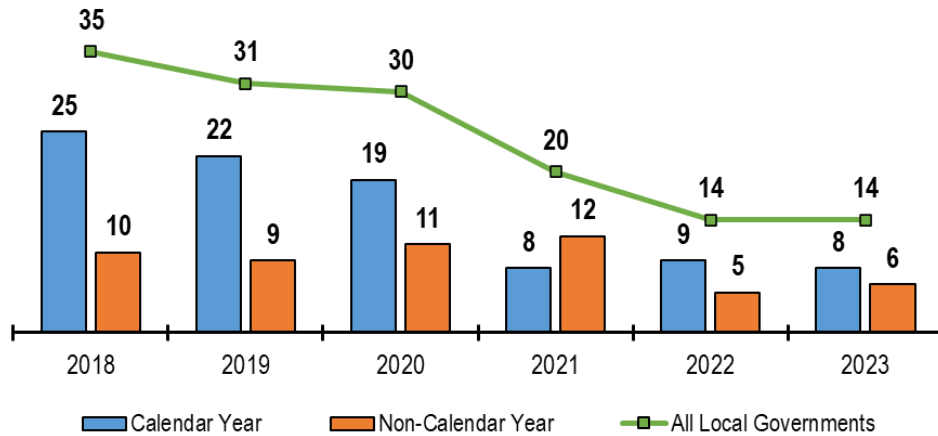
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Fiscal Stress by Class



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Fiscal Stress Trends, FYEs 2018 to 2023



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Fiscal Stress Status

- The number of municipalities designated in fiscal stress declined from 30 in FYE 2020 to the historic low of 14 in FYEs 2022 and 2023.
- Previously inflated revenues allowed many municipalities to bolster their cash and fund balance levels. However:
 - ARPA payments are winding down and should not impact revenues in future years;
 - First-half payments affected FYE 2021 for calendar year municipalities and FYE 2022 for most non-calendar year;
 - Final payments affected FYE 2022 for calendar year municipalities and FYE 2023 for most non-calendar year municipalities; and
 - After dramatic growth in FYEs 2021 and 2022, local sales tax receipts moderated to 2.3% in FYE 2023.

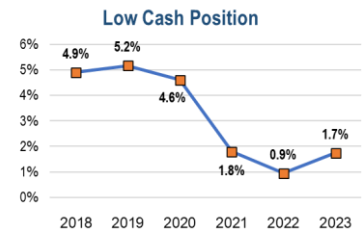
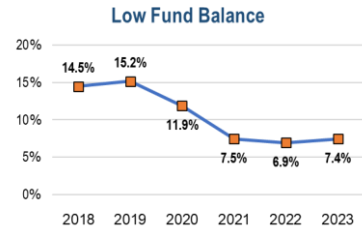


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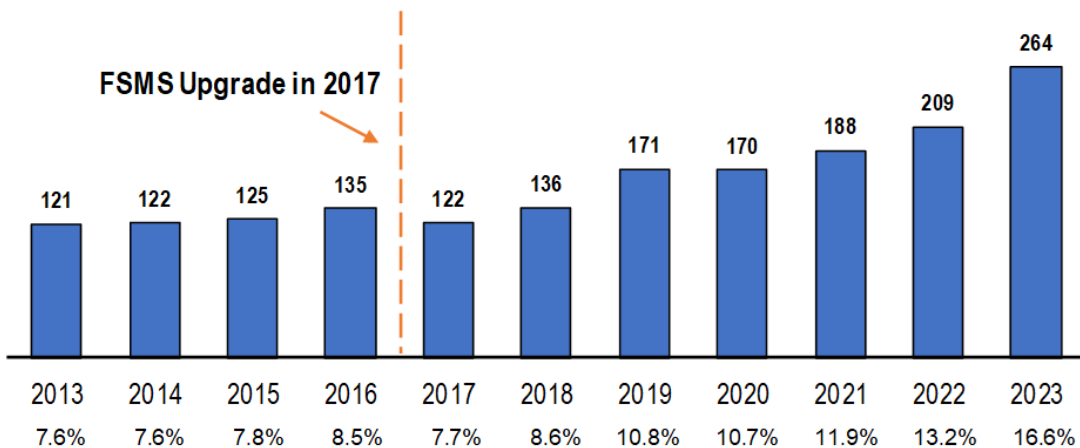
Notable Fiscal Stress Indicators

- The percentage of municipalities with a low fund balance increased in FYE 2023, marking the first increase since FYE 2020.
 - This indicator category accounts for half (50%) of the total fiscal stress score.
- The percentage of municipalities with a low cash position increased for the first time since FYE 2020, rising to 1.7 percent in FYE 2023.
 - This indicator category accounts for 20% of the total fiscal stress score.



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Non-Filer Trend, FYEs 2013 to 2023



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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 FYE 2023 report (to be released at the end of the month) will include environmental stress indicators, including:
 - Population decline (measured over the previous five-year period);
 - Non-working age population (as a share of the total population);
 - Tax base (the change in median home value compared to housing inflation over the previous five-year period);
 - Unemployment rate; and
 - State and federal aid (as a share of total revenues).



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Updated FSMS Visualization

- An updated interactive visualization will allow users to see the filing status, fiscal stress designation and score for each local government from FYEs 2013 to 2023.
- It will allow tracking of non-filers from 2013 to 2023 to promote transparency and accountability.



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Resources

[Fiscal Stress Monitoring System Webpage](#)



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Resources

[Financial Toolkit for Local Officials](#)



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Resources

Self-Assessment Tool Demonstration

Home / Local Government / Fiscal Stress Monitoring System / Search 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 (AIs)
						Current Year	1 Year Prior	2 Years Prior		
2021	Town	Adams	Jefferson	No Designation	North Country	0	0	0	6.7	Download
2021	Village	Adams	Jefferson	No Designation	North Country	9.6	5	22.1	40	Download
2021	Town	Addison	Steuben	No Designation	Southern Tier	0	0	0	30	Download
2021	Village	Addison	Steuben	Moderate	Southern Tier	61.7	53.8	22.5	30	Download
2021	School	Addison	Steuben	No Designation	Southern Tier	3.3	0	0	8.3	Download
2021	School	Adirondack	Oneida	No Designation	Mohawk Valley	0	16.7	13.3	23.3	Download
2021	Town	Alton	Chenango	No Designation	Southern Tier	3.3	0	0	40	Download
2021	Village	Alton	Chenango	No Designation	Southern Tier	0	0	0	53.3	Download
2021	School	Alton	Chenango	No Designation	Southern Tier	0	0	-	10	Download
2021	Village	Almont	Rockland	No Designation	Mid-Hudson	6.7	10	6.7	6.7	Download
2021	Village	Akron	Erie	No Designation	Western New York	0	0	0	3.3	Download
2021	School	Akron	Erie	No Designation	Western New York	0	0	0	5	Download
2021	Town	Alabama	Genesee	No Designation	Finger Lakes	3.3	6.7	6.7	23.3	Download
2021	County	Albany	Albany	No Designation	Capital District	12.9	43.3	19.2	13.3	Download



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– Option 4 for Data Management Unit



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Questions?

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