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
- 2022 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



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



		1 13(Jai C	Stress	300	Ie		
	inancial dicators		Fiscal Stre	ess Financial Ind	icators		Manimum Points	
	1	Assigned and Unassi	gned Fund Balar	nce as a Percentage (%)	of Gross Expendit	ures	25	I
	2	Total Fund Balance a	as a Percentage (%) of Gross Expenditur	es		25	l
	3	Operating Deficits					10	l
	4	Cash Ratio - Cash an	d Investments as	s a Percentage (%) of C	urrent Liabilities		10	l
	5	Cash as a Percentage	e (%) of Monthly	Gross Expenditures			10	l
L	6	Short-Term Cash-Flo	w Debt Issuance	e as a Percentage (%) of	Total Revenues		5	1
L	7	Short-Term Cash-Flo					5	ł
L	8			efits as a Percentage (%	-	s (3 year avg)	5	1
L	9	Debt Service as a Per	centage (%) of T	Total Revenues (3 year a	avg)		5	ł
							100	J
Fiscal Stress Classification		Point Range of 100 total pts)		Local Govt. Type	General Fund	<u>c</u>	Combined	Funds
Significant		65 - 100		Cities	А	1	A, FX, G, E	S, EW
Moderate		55 - 64.9		Counties	А	A, D, DM, F	-X, G, All E	Enterprise Fund
Susceptible		45 - 54.9		Towns	A, DA	A, B, DA, [)B, FX, G,	SS, SW, ES, EW
No Designation		0 - 44.9		Villages	А	1	A, FX, G, E	S. EW



Е	nviro	onmen	tal Stress S	Scor	е
	Environmenta Indicators	Fiscal Stres	s Environmental Indicators	Maximum Points	
	1	Change in Population	on	10	
	2	Percentage of Hous	eholds with Public Assistance	20	
	3	Percentage of Popu	lation Under 18 & Over 65	10	
	4	Percentage Change	in Home Value	20	
	5	Median Household	Income	10	
	6	Unemployment Rat	e	10	
	7	Reliance on State a	nd Federal Aid	20	
				100	
	ental Stress fication (Point Range Out of 100 total pts)	Unlike the fin		,
Sign	ificant	50 - 100	environment	tal indic	ators are
Mo	derate	40 - 49.9	generally outsid	ha tha d	irect contro
Susc	eptible	30 - 39.9			
No De	signation	0 - 29.9	of loca	al officia	llS.
	-		1		



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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



Key Takeaways Be Prepared Environmental Stress Score Reminder OSC's Website Resources

Fiscal Year End 2022 Update (Preliminary)

Calendar and Non-Calendar Year Municipalities

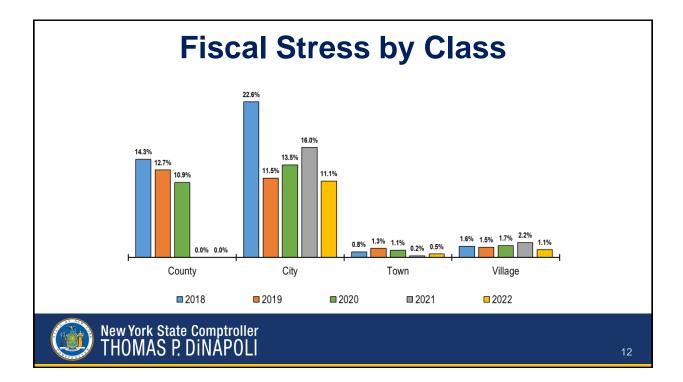
(e.g., counties, cities, towns and villages)

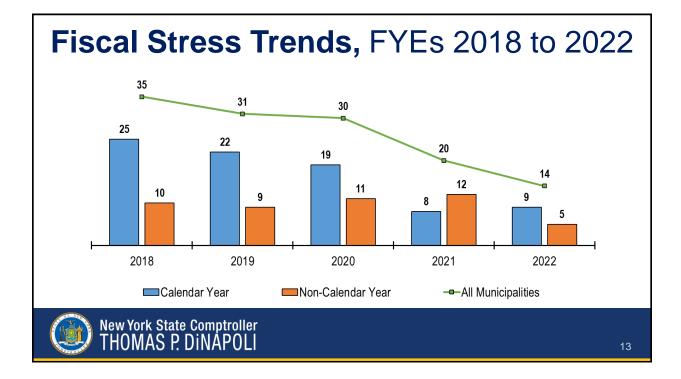


Preliminary Results for FYE 2022

- A total of 1% of all municipalities scored were designated in some level of stress.
- By class, cities were the most prone to stress with 11.1% designated in stress, followed by villages (1.1%) and towns (0.5%).
- No counties were designated in stress for the second consecutive year.
- Funding from the American Rescue Plan Act (ARPA), as well as robust sales tax revenue, largely contributed to fewer entities in stress.

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Why was fiscal stress down, again?

- The number of municipalities designated in fiscal stress declined from 30 in FYE 2020 to 20 in FYE 2021 to 14 in FYE 2022.
- Many municipalities were able to bolster their cash and fund balance levels as a result of temporarily inflated revenues.
 - First-half ARPA payments affected FYE 2021 for calendar year municipalities and FYE 2022 for most non-calendar year;
 - Second-half ARPA payments affected FYE 2022 for calendar year municipalities and FYE 2023 for most non-calendar year; and
 - Local sales tax revenues increased by 7.1% in FYE 2022, more than twice as strong as the average pre-pandemic growth.

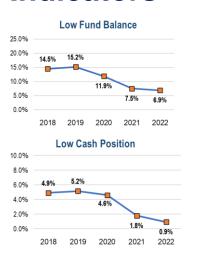


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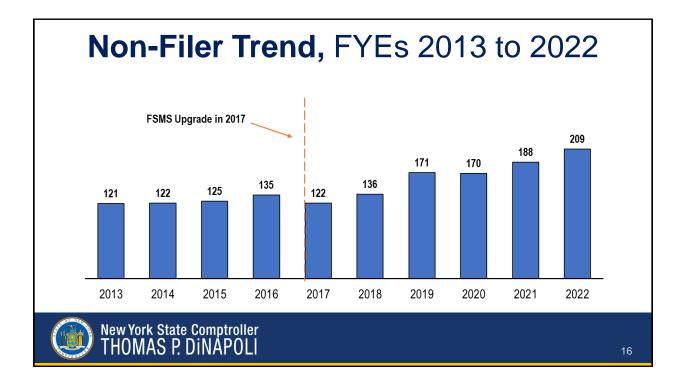
Notable Fiscal Stress Indicators

- The number of municipalities with a low fund balance decreased in FYE 2022, marking the third consecutive year of decline.
 - This indicator category accounts for half (50%) of the total fiscal stress score.
- The number of municipalities with a low cash position has continued to decline since FYE 2020, hitting a low of 0.9 percent in FYE 2022.
 - This indicator category accounts for 20% of the total fiscal stress score.

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FSMS 10 Year Anniversary

- OSC's award winning early warning system has now been in operation for 10 years (2013 to 2022).
- The FYE 2022 report (to be released at the end of the month) will include a "special section" highlighting some selected FSMS statistics over the past decade, including:
 - Factors that Can Contribute to Repeated Fiscal Stress;
 - Chronically Stressed Local Governments; and
 - Pathways Into and Out of Fiscal Stress.

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• A new interactive visualization will allow users to see the filing status, fiscal stress designation and score for each local government from FYEs 2013 to 2022.

	UTCES ring System Webpage	
About - Unclaimed Funds Retirement - Local Government Agen Home / Local Government / Fiscal Stress Mentoring System	Cles Vendors Reports - Newsroom	
Fiscal Stress Monitoring System		
State Comptoiler Thomas P. DNapoli created an early warning system for communities and school districts with proactive. Read the System Basics document to learn more. Search for a local government or school district. Search Now	fscal problems. Alerting everyone to potential problems gives local officials and taxpayers the opportunity to be more	
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 Reterence Guides Trraining and Webinars Archived System Data	
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Reset Filters C	Download All Data	±								
						F	iscal Scores	٥		
Fiscal Year Ending	• Class •	Local Government/ School District Name	e County	Stress o Designation	Region	• Current • Year	1 Year + Prior +	2 Years + Prior +	Environmental e Score	Self-Assessment Tool (.xls)
	×	×	v (v]	~					
2021	Town	Adams	Jefferson	No Designation	North Country	0	0	0	6.7	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	145.00	Steuben	No Designation	Southern Tier					Download
2021	ochool	Addison			Souriem ner	3.3	0	0	8.3	3 Downsoad 2
2021	School	Addison	Oneida	No Designation	Mohawk Valley	3.3	0	0 13.3	8.3	
								0 13.3 0		Download 🛓
2021	School	Adirondack	Oneida	No Designation	Mohawk Valley	0	16.7	0 13.3 0 0	23.3	Download 🛓 Download 🛓 Download 🛓
2021 2021	School Town	Adirondack Afton	Oneida Chenango	No Designation	Mohawk Valley Southern Tier	0	16.7 0	0 13.3 0 0	23.3	Download & Download & Download &
2021 2021 2021	School Town Village	Adirondack Afton Afton	Oneida Chenango Chenango	No Designation No Designation No Designation	Mohawk Valley Southern Tier Southern Tier	033	16.7 0 0	0 13.3 0 0 - 6.7	23.3 40 53.3	Bownload & Download &
2021 2021 2021 2021	School Town Village School	Adirondack Afton Afton Afton	Oneida Chenango Chenango Chenango	No Designation No Designation No Designation No Designation	Mohawk Valley Southern Tier Southern Tier Southern Tier	0 3.3 0 0	16.7 0 0 0	0	23.3 40 53.3 10	Download Download Download Download Download Download Download
2021 2021 2021 2021 2021 2021	School Town Village School Village	Adirondack Atton Atton Atton Airmont	Oneida Chenango Chenango Chenango Rockland	No Designation No Designation No Designation No Designation No Designation	Mohawk Valley Southern Tier Southern Tier Southern Tier Mid-Hudson	0 3.3 0 0 6.7	16.7 0 0 0	0	23.3 40 53.3 10 6.7	Download & Download & Download & Download & Download & Download & Download & Download & Download &
2021 2021 2021 2021 2021 2021 2021	School Town Village School Village Village	Adirondack Afton Afton Afton Aitmont Akton	Oneida Chenango Chenango Chenango Rockland Erie	No Designation No Designation No Designation No Designation No Designation No Designation	Mohawk Valley Southem Tier Southem Tier Southem Tier Mid-Hudson Western New York	0 3.3 0 0 6.7 0	16.7 0 0 0 10	0	23.3 40 53.3 10 6.7	Download & Download & Download & Download & Download & Download & Download & Download &



Questions?

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