



Office of the NEW YORK STATE COMPTROLLER

Fiscal Stress Monitoring • System Basics

What is the Comptroller's Fiscal Stress Monitoring System?

The Fiscal Stress Monitoring System (the System) is OSC's program to objectively identify issues with budgetary solvency—the ability to generate enough revenue to meet expenditures—for each county, city, town, village and school district.

How Does it Work?

The System analyzes the financial information submitted to OSC by local governments against a set of uniform financial and environmental indicators.

Financial indicators measure key drivers of fiscal stress in local government financial operations:

Counties, Cities, Towns and Villages:

- Year-End Fund Balance
- Operating Deficits/Surpluses
- Cash Position
- Use of Short-Term Cash-Flow Debt Issuance
- Fixed Costs

School Districts:

- Year-End Fund Balance
- Operating Deficits/Surpluses
- Cash Position
- Reliance on Short-Term Cash-Flow Debt

Environmental indicators provide insight about economic and demographic forces confronting communities—that are beyond the immediate control of local officials but might influence revenue-raising capability and the demand for certain types of services:

Counties, Cities, Towns and Villages:

- Change in Population
- Households with Public Assistance
- Percent of Population Under 18 and Over 65
- Percent Change in Home Value
- Median Household Income
- Unemployment Rate
- Reliance on State and Federal Aid

School Districts:

- Percent of Economically Disadvantaged Students
- Class Size
- Teacher Turnover Rate
- Change in Property Value
- Budget Vote Approval Rate
- Percent of English-Language Learners

How are the Results Calculated?

OSC provides each local government with two scores, and two resulting designations. The underlying indicators are measured on a 100-point scale. Designations are made for scores falling within certain ranges.



Scores Determine Designations (Stress Category):

Significant Stress	Moderate Stress	Susceptible to Stress	No Designation
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Why is this Program Important?

- The System acts as an early warning and provides valuable information to local leaders and citizens so that they are well-equipped to take a deliberate, long-term and strategic approach to managing their local government.
- This information will help decision-makers and the public to prioritize the needs of the community, understand the trade-offs and follow through with tough decisions.
- Scores are provided once a year by OSC which allows users to track stress trends over time, for individual local governments and for the entire sector across New York State.
- OSC provides training, budgeting tools, management guides, research and best practices reports to help improve and maintain sound financial condition.

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

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm



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