

Fiscal Stress Monitoring System

Sue Motler, Chief of Data Operations Nicholas Jenny, Research Analyst
Division of Local Government and School Accountability



Fiscal Stress Monitoring System

Agenda

- Fiscal Stress Monitoring System 101
- Upcoming Score Release
- Key Takeaways
- 2019 Preliminary Results and 2020 Risks
- Resources - How We Can Help
- Q & A



Fiscal Stress Monitoring System 101

Purpose

- To identify local governments and school districts in fiscal stress or susceptible to fiscal stress.
- To identify for local officials the need to take action in a timely manner to improve financial trends.



Fiscal Stress Monitoring System 101

- Fiscal Stress Score
- Environmental Stress Score

Fiscal Stress Monitoring System

- Upcoming release for Calendar Year Filers
- Communication Emails
 - Local Governments in Fiscal Stress
 - All Local Governments

Key Takeaways

- Be prepared
- Environmental Stress Score Reminder
- OSC's Website Resources

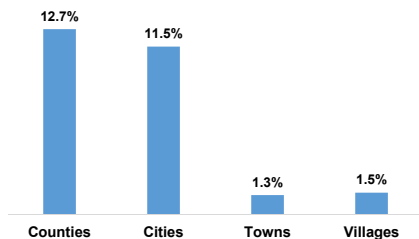
Fiscal Stress Monitoring System

Municipalities:
Fiscal Year 2019 Preliminary Results
(Calendar and Non-Calendar Year)
and Fiscal Year 2020 Risks

Fiscal Stress Results for FYE 2019

- This covers municipalities whose fiscal years ended during 2019, before the COVID-19 Pandemic.
- Using preliminary data, OSC found 2.2 percent of municipalities in some level of stress.
- Counties and cities are much more likely to be in a level of stress than towns or villages.

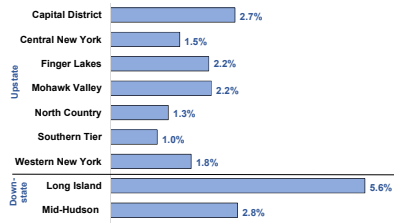
Fiscal Stress by Class



Preliminary Data.

Regional Impact

- Downstate municipalities, especially those on Long Island, were more likely to be in stress.

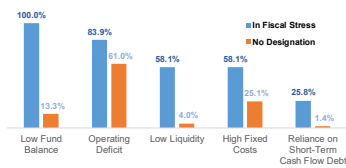


Source: OSC
Note: Includes all calendar and non-calendar year municipalities that filed conclusive data with OSC.

Preliminary Data.

Fiscal Stress Indicators

- The FSMS uses several indicators of budgetary solvency.
- The one thing all stressed local governments have in common is low fund balance.



Source: OSC
Note: Includes all calendar and non-calendar year municipalities that filed conclusive financial data with OSC.

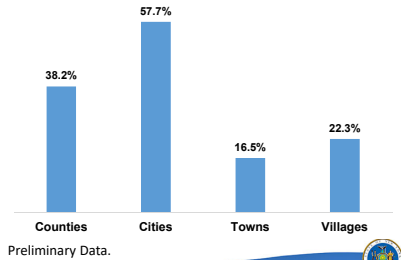
Preliminary Data.

Other Indicators

- Almost all governments in stress have been running repeated deficits.
 - As do many not in stress.
- Low liquidity and a sudden or increased reliance on short-term cash flow debt reflect structural imbalances.
- High fixed costs make spending reduction more difficult.

Environmental Stress

- Fiscal stress is only part of the picture, there are also environmental challenges.



NYS COMPTROLLER
THOMAS P. DiNAPOLI

13

Fiscal Stress Risks in 2020

- The COVID-19 pandemic that began in early 2020 has already had a very significant impact on local government finances.
- Some of the fiscal challenges that local governments are facing that could impact the components of their Fiscal Stress Monitoring Scores include declines in sales tax and State aid.

NYS COMPTROLLER
THOMAS P. DiNAPOLI

14

Fiscal Stress Risks in 2020

- Sales tax collections have declined sharply for local governments in the State.
- 25 percent of municipalities get an above-average portion of their revenue from sales tax.
 - 44 percent of counties.
 - 15 percent of cities.
 - 31 percent of towns.
 - 10 percent of villages.

NYS COMPTROLLER
THOMAS P. DiNAPOLI

15

Fiscal Stress Risks in 2020

- The State has begun withholding 20 percent from State aid to local government.
 - This withholding amounted to \$1.9 billion through July 2020.
- 7 percent of municipalities receive over a quarter of their revenue from State aid.
 - 10 percent of cities.
 - 8 percent of towns.
 - 5 percent of villages.



NYS COMPTROLLER
THOMAS P. DINAPOLI

Resources

STATE COMPTROLLER
NY State Office of General Services

Home / Fiscal Stress Monitoring System

Fiscal Stress Monitoring System

State Comptroller Thomas P. DiNapoli created an early warning system for communities and school districts with fiscal problems. Starting in 2015, communities with problems were identified and resources were made available to the communities. Please see System Tools described in screen capture. Search for local governments or school districts.

Lists

- Local Governments
- School Districts
- Search Tool

Publications

- System Manual
- Research Reports
- Financial Condition Alerts
- Archived System Publications


Tools

- Self-Assessment Tool
- Capital Planning System
- Multiple Planning Toolset

Help

- System Enhancements
- Historical Performance Studies
- Training and Webinars
- Archived System Data

https://www.osc.state.ny.us/local-government/fiscal-monitoring



NYS COMPTROLLER
THOMAS P. DINAPOLI

Self-Assessment Tool Demo


STATE COMPTROLLER
NY State Office of General Services

Fiscal Stress Monitoring System*

Search Tool

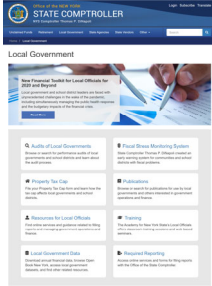
Year	Local Government	Budget	Revenue	Change	Risk	Fiscal Stress			Self-Assessment
						2018	2019	2020	
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%
2018	Albany	400000	400000	0%	Low	100	100	100	100%

https://www.osc.state.ny.us/local-government/fiscal-monitoring



NYS COMPTROLLER
THOMAS P. DINAPOLI

Financial Toolkit for Local Officials



<https://www.osc.state.ny.us/local-government/financial-toolkit>

Contact Us

- Email: localgov@osc.ny.gov
- Phone Number: (866) 321-8503
Option 4 for Data Management Unit

Questions and Answers



OSC Division of Local Government and School
Accountability
