


**Fiscal Stress Monitoring System:
A Briefing for Local Governments**

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FSMS Basics

What We Measure

- Evaluate fiscal stress from a budgetary solvency perspective.
 - Does the local government or school district generate enough revenues to meet expenditures?
- Narrow in scope.




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FSMS Basics

What We (Don't) Measure

- The System does not:
 - Assess how a local government is being managed.
 - Adjust for late-breaking local developments.
 - Consider the impact of the local political climate.
 - Assess overall fiscal "health".



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System Basics

How We Measure

- Objective
- Utilize a set of standard calculations that are:
 - Uniformly applied
 - Relevant (ICMA)
- Based on financial data already being filed with OSC.

FSMS Basics

How We Measure

- Financial Indicators
 - Evaluate budgetary solvency—the ability to generate enough revenue to meet expenses.
- Environmental Indicators
 - Capture trends that are generally outside the control of local government officials but influence revenue-raising capability and demands for service. Provides context.

FSMS Publications

System Resources

- FSMS Manual:
 - <http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/system-manual.pdf>
- FSMS System Basics:
 - <http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/system-basics.pdf>
- FSMS System Enhancements – Local Governments:
 - <http://osc.state.ny.us/localgov/fiscalmonitoring/pdf/system-enhancements-local-governments.pdf>

Financial Indicators

How We Measure

Category	# Indicator Calculations	Point Value
Year-End Fund Balance	2	50
Operating Deficits	1	10
Cash Position	2	20
Use of Short-Term Cash-Flow Debt	2	10
Fixed Costs	2	10
Total	9	100

Environmental Indicators

How We Measure

- Consistent and reliable data sources.
- We want these to be easy to use and understand.
 - Detail sheet for environmental

Environmental Indicators

- Change in Population.
- Percent of 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.

System Scoring

How We Measure

- 100 points
- 2 separate scores issued – fiscal stress score and environmental stress score.
- Same naming conventions used both for fiscal and environmental:
 - Significant, Moderate, Susceptible and No Designation

System Scoring

How We Measure

- Financial indicator score drives classification:
 - 65 – 100 = Significant
 - 55 – 64.9 = Moderate
 - 45 – 54.9 = Susceptible
 - 0 – 44.9 = No Designation
- Environmental indicator score (separate):
 - 65 – 100 = Significant
 - 45 – 64.9 = Moderate
 - 25 – 44.9 = Susceptible
 - 0 – 24.9 = No Designation

Fiscal Stress Monitoring System

The Upcoming Release

Score Release Process

- Upcoming release for local governments.
 - Based on AUD 2019 fiscal year-end.
- No surprises approach – communication is key.
 - Local governments in stress – emails to CEO and CFO.
 - All local governments – emails to CEO and CFO a few days before public release.

Key Takeaways

- Communication
 - Be prepared - Know your details and be ready to speak to them
- Environmental indicator score is important too.
 - New detail sheet
- Focus will likely be on.....
 - Places in Stress
 - Major score changes
- Utilize our website resources.

Resources

The screenshot shows the 'Fiscal Stress Monitoring System' website. At the top, there is a navigation bar with 'Our Office', 'Newsroom', 'Resources', and 'First Info About'. Below the navigation bar, the title 'Fiscal Stress Monitoring System' is displayed. A search bar is present with a 'Search Now' button. A paragraph of text describes the system's purpose: 'State Comptroller Thomas P. DiNapoli created an early warning system for communities and school districts with fiscal problems. Having awareness to potential problems gives local officials and taxpayers the opportunity to take more proactive steps. Read the System Basics document to learn more.' Below this text is a search bar with the prompt 'Search for a local government or school district.' The main content area is divided into four colored boxes: 'Lists' (Local Governments, School Districts, Search Tool), 'Tools' (Self-Assessment Tool, Capital Planning Tutorial, Multiyear Planning Tutorial), 'Publications' (Research Reports, Financial Condition Audits, Archived System Publications), and 'Help' (System Enhancements, Indicator Reference Guides, Training and Webinars, Archived System Data). A social media icon bar is visible above the main content area.

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm>

Contact Us

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



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Questions and Answers

Break – Thank you for your patience while we quickly review the questions received so far.

Please continue to send any questions via the question box.



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Thank You

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