

New York State Comptroller Designates Nine School Districts in Fiscal Stress



Fact Sheet No. 21-03

January 2021

New York State Comptroller Thomas DiNapoli released the annual Fiscal Stress Monitoring System (FSMS) report. According to the report, nine school districts were identified as being in fiscal stress—two being in “Significant Fiscal Stress” (Mount Vernon and Northern Adirondack) and seven being in “Moderate Fiscal Stress” (Cortland, Harrisville, Hempstead, Newfield, Wantagh, Wappingers, and Weedsport). Northern Adirondack was also designated as being in significant fiscal stress last year.

In addition to those nine districts, the report also identified twenty-two districts as being “Susceptible to Fiscal Stress” (Binghamton, Candor, Cohoes, East Ramapo, Elmont, Fort Edward, Lafayette, Marathon, Marcellus, Mattituck-Cutchogue, Medina, New Suffolk, Oxford Academy, Pavilion, Poughkeepsie, Rensselaer, Rome, Sauquoit Valley, Ticonderoga, Tupper Lake, Waterville, and Wyandanch).

Based on their fiscal score, school districts are assigned into one of four categories:

1. *No Designation.* 637 school districts were given this rating indicating that their fiscal score doesn’t meet the threshold for stress.
2. *Susceptible to Fiscal Stress.* 22 school districts were given this rating indicating that they are exhibiting some signs of fiscal stress.
3. *Moderate Fiscal Stress.* 7 school districts were given this rating indicating that they are fiscally stressed, but the level is less severe.
4. *Significant Fiscal Stress.* 2 school districts were given this rating indicating that they are considered to be the most fiscally stressed.

The current report also noted that:

- The Central New York and North Country regions had the highest percentages of districts in fiscal stress.
- Western New York was the only region that had no school districts in fiscal stress for the 2019-20 school year.

FSMS uses various financial indicators such as fund balances, operating deficits, cash ratio, and short-term borrowing to assign an annual fiscal score to every school district, except for the Big 5 City School Districts (Buffalo, New York City, Rochester, Syracuse, and Yonkers). The current fiscal score is based on financial data from the 2019-20 school year.

A copy of the comptroller's report *Fiscal Stress Monitoring System School Districts: School Year 2019-20 Results; 2020-21 Risks* is available at <http://www.osc.state.ny.us/files/local-government/fiscal-monitoring/pdf/2021-schools-snapshot-jan.pdf>

This is the eighth annual scoring of school districts provided by FSMS. The following table, based on data from the Office of State Comptroller, provides a history of the number of school districts identified by year.

	2012-13 School Year	2013-14 School Year	2014-15 School Year	2015-16 School Year	2016-17 School Year	2017-18 School Year	2018-19 School Year	2019-20 School Year
Significant Fiscal Stress	12	10	8	2	2	5	4	2
Moderate Fiscal Stress	23	27	24	9	7	0	5	7
Susceptible to Fiscal Stress	52	53	50	48	17	21	24	22
No Designation	583	582	590	612	648	646	637	637