

New York State Comptroller Designates Eleven School Districts in Fiscal Stress



Fact Sheet No. 17-04

February 2017

Last month, New York State Comptroller Thomas DiNapoli released the annual Fiscal Stress Monitoring System (FSMS) report. According to the report, eleven school districts were identified as being in fiscal stress—two being in “Significant Fiscal Stress” (Hempstead and Wyandanch) and nine being in “Moderate Fiscal Stress” (Amityville, Bedford, Clifton-Fine, Cortland, East Aurora, East Ramapo, Eldred, Hudson Falls and Utica).

FSMS uses various financial indicators such as year-end 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 2015-16 school year.

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

1. *No Designation.* 612 school districts were given this rating indicating that their fiscal score doesn’t meet the threshold for stress.
2. *Susceptible to Fiscal Stress.* 48 school districts were given this rating indicating that they are exhibiting some signs of fiscal stress.
3. *Moderate Fiscal Stress.* 9 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.

A listing of all the school districts that are rated as being either Susceptible, Moderate or Significant, along with their financial score is available at

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/schools/pdf/stresslist.pdf>

This is the fourth annual scoring of school districts provided by FSMS. Fewer school districts have been designated this year than in previous years. The following table, based on data from the Office of State Comptroller, provides a history of the designations by year.

	2012-13 School Year		2013-14 School Year		2014-15 School Year		2015-16 School Year	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Significant Fiscal Stress	12	1.8%	10	1.5%	8	1.2%	2	0.3%
Moderate Fiscal Stress	23	3.4%	27	4.0%	24	3.6%	9	1.3%
Susceptible to Fiscal Stress	52	7.8%	53	7.9%	50	7.4%	48	7.2%
No Designation	583	87.0%	582	86.6%	590	87.8%	612	91.2%

The Comptroller’s Office noted that certain types of school districts are much more likely to be identified as being fiscally stressed. High-Need Urban/Suburban Districts, as defined by the State Education Department’s Need/Resource Capacity Code, are “nearly three times as likely as districts overall to be in fiscal stress.”

As school districts continue to be scored on an annual basis, it will be important to identify districts that are continuously being identified as being in Fiscal Stress. Only one school district, the Utica City School District, has been identified all four years as being in either Moderate or Significant Fiscal Stress.