

# New York State Comptroller Designates Nine School Districts in Fiscal Stress



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(Updates 17-04)

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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” (East Aurora and Eldred) and seven being in “Moderate Fiscal Stress” (Cortland, Eastport-South Manor, Harpursville, Norwich, Rhinebeck, Sandy Creek and Schenevus).

In addition to those nine districts, the report also identified seventeen districts as being “Susceptible to Fiscal Stress” (Corinth, DeRuyter, Evans-Brant, Hudson Falls, Long Beach, Marathon, New Hartford, Niagara-Wheatfield, North Bellmore, Oppenheim-Ephratah-St. Johnsville, Otego-Unadilla, Oxford Academy, Port Chester-Rye, Richfield Springs, Springville-Griffith Institute, West Seneca and Wyandanch).

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

1. *No Designation.* 648 school districts were given this rating indicating that their fiscal score doesn’t meet the threshold for stress.
2. *Susceptible to Fiscal Stress.* 17 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.

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 2016-17 school year.

A copy of the comptroller’s report *Fiscal Stress in School Districts Common Themes for School Year 2016-17* is available at

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/pdf/common-themes-for-school-year-2016-17.pdf>

This is the fifth 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.

	<b>2012-13 School Year</b>		<b>2013-14 School Year</b>		<b>2014-15 School Year</b>		<b>2015-16 School Year</b>		<b>2016-17 School Year</b>	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Significant Fiscal Stress	12	1.8%	10	1.5%	8	1.2%	2	0.3%	2	0.3%
Moderate Fiscal Stress	23	3.4%	27	4.0%	24	3.6%	9	1.3%	7	1.0%
Susceptible to Fiscal Stress	52	7.8%	53	7.9%	50	7.4%	48	7.2%	17	2.5%
No Designation	583	87.0%	582	86.6%	590	87.8%	612	91.2%	648	96.1%

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 “about three times more likely to be in fiscal stress than Average Need Districts.”