

Fiscal stress for fewer NY schools

Comptroller's report shows budgetary woes at 9 percent

JON CAMPBELL

@JONCAMPBELLGAN

ALBANY - The number of school districts facing fiscal stress dropped to its lowest level last year since the state Comptroller's Office began tracking it four years ago, according to a report released Wednesday. A total of 59 school districts across the state — or 9 percent — faced some level of budgetary stress during the 2015-16 school year, with just two districts showing “significant” stress, the report from Comptroller Thomas DiNapoli showed. It marked a significant drop from the previous school year, when 82 districts — or 12 percent — showed fiscal stress. “Fiscal stress in many school districts has declined, especially for those in the most severe condition,” DiNapoli said in a statement. “School officials should be commended for working to keep their districts out of financial harm, but should be careful not to amass excessive levels of fund balance in order to do so.” DiNapoli's office launched a monitoring system in 2012 that rates each school district's budget on a variety of fiscal factors, giving each a score based on their end-of-year balances, deficits and borrowing habits.

Each district is then rated as showing significant stress, moderate stress or being susceptible to fiscal stress. If they are showing no signs of budgetary trouble, they are given no designation.

DiNapoli's report Wednesday focused on the 671 districts with fiscal years ended June 30.

Only the Hempstead and Wyandanch districts on Long Island received a “significant” ranking, down from eight districts in 2014-15.

Nine districts showed moderate fiscal stress, according to DiNapoli's office. Among them were Bedford in Westchester County and East Ramapo in Rockland County. East Ramapo dropped from the “significant” rating it received in 2014-15.

Forty-eight districts were “susceptible to fiscal stress,” the report showed, including Rhinebeck in Dutchess County, New Rochelle in Westchester County and Gates Chili in Monroe County.

Gates Chili Superintendent Kimberle Ward said the designation came as no surprise.

“When you're limited by the amount of tax money you can collect, and you're using your reserves responsibly as the Comptroller has requested we do, then your fund balance is reduced, and it's kind of a vicious cycle,” she said. “At this point, I'm not worried. We are a healthy district fiscally. ... We're hoping a restoration of Foundation Aid will drive that (fiscal stress) number back down, but who knows.”

Foundation Aid is the base state aid that school districts receive, derived through a formula that is supposed to equalize for factors such as district

wealth and student need.

JCAMPBELL1@ [Gannett.com](http://www.gannett.com) Jon Campbell is a staff writer with USA TODAY Network's Albany Bureau.

With reporting by staff writer Justin Murphy.



State Comptroller Thomas P. DiNapoli