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Superintendents' survey finds school district finances mostly stable—for now—but concerns about student needs are widespread

ALBANY – New York's school districts appear to be “treading water” financially, with most superintendents reporting little or no change in their district's financial condition compared to a year ago. But urgent concerns about the ability of schools to meet student needs remain. These are key themes in [a survey report](#) released today by the New York State Council of School Superintendents.

Council Executive Director Charles Dedrick said, “In the aftermath of the Great Recession, we saw steady improvement in the financial condition of many school districts, although not all. But our surveys indicate those gains have faltered since 2016.”

Dedrick added, “At the same time, the mission of schools has expanded over the past decade or so. More and more school districts are taking exceptional steps that weren't widespread 10 years ago, both to help students and families with non-school problems, and to make sure nothing is overlooked that could make their schools as safe and secure as possible.”

Sixty-five percent of superintendents this year said that the financial condition of their district is unchanged from a year ago. But for the third straight year, the share of superintendents seeing improved financial condition dropped—from 31% in 2016 to just 14% this year.

Improving mental health services was again the most widely cited priority among superintendents for new funding, should their districts receive more revenue than what would be needed to maintain current services and satisfy mandates. It was the most widely cited priority for all groupings of districts, whether grouped as city, suburb, or rural, or by region, or by student poverty level.

Council Deputy Director Robert Lowry said, “Our survey shows all types of districts, everywhere, are straining to address student mental health needs. Sixty-seven percent of superintendents identified improving student mental health services as a top funding priority, up from 56% last year and from 35% three years ago.”

He added, “Also, 53% of superintendents said their district budgets for this year will improve student mental health services—only the second time in the nine years of our survey that a majority of superintendents anticipated improvement in any area of student services.”

The Council's report found that:

- 14% of superintendents statewide see the financial condition of their district as improved from a year ago, 65% see it as unchanged, and 20% see it as worse. The share of superintendents seeing improvement peaked at 31% in 2015 and 2016.

- Asked to look ahead three years or so, only 25% of superintendents said that they are somewhat or very optimistic about their district’s ability to funding adequate services. Sixty-seven percent answered that they are somewhat or very pessimistic and 8% said that their districts are unable to offer adequate services now. These numbers show little change from past years.
- City, Mohawk Valley, and North Country superintendents were most likely to say their district’s financial condition is significantly worse than one year ago. City, Southern Tier, North Country, and Western New York superintendents were most pessimistic about the three-year financial outlook for their districts.
- Sixty-five percent of superintendents said that they are concerned by their district’s reliance upon reserves or fund balance to pay recurring costs, a jump from 33% a year ago.
 - This increase may be due to concerns about the new \$10,000 federal cap on state and local tax deductions: 91% of superintendents who said that the SALT cap had had a significant impact on the budget their district proposed to voters were somewhat or very concerned about their district’s reliance on reserves.
- Asked about how their district budget for 2019-20 would affect various student services, 53% anticipate a positive impact on mental health-related services, 49% anticipate a positive impact on school safety/security.
 - Over one-third of superintendents said that their schools will improve mental health services this year **and** that improving those services further would be a top priority for new funding.
- Generally, findings on current year budget impact on specific student services are more positive than for overall financial impact. But these too mostly peaked in 2016.
- The prospect of inadequate state aid was most widely cited as a concern in thinking about their schools’ financial outlook (cited by 48% of superintendents), followed by the property tax cap (11%), and by increases in fixed or hard to control costs such as pensions and health insurance (9%).
- Increasing special education costs were named by 56% of superintendents as a significant problem among programmatic cost items, more than any other concern. Council analysis of State Education Department enrollment data shows an especially steep increase in students in special education in early grades (K-2)—up 16.1% outside New York City since 2011-12, compared to 3.1% in grades three through 12. This increase may be partly a response to growing student mental health needs.
- The report also includes sections on superintendent perspectives on aspects of child well-being, opportunities for students, and financially struggling districts.

The survey was conducted online, from August 12th through the 25th, 2019. A total of 364 superintendents submitted completed surveys, a response rate of 53.7%.

[The entire survey report is available here.](#)

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The New York State Council of School Superintendents is a professional and advocacy organization with over a century of service to school superintendents and assistant superintendents in New York State. The Council provides more than 800 members with professional development opportunities, publications and personal support while advocating for public education and the superintendency.