



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

January 7, 2025

The Honorable Kathy Hochul
Governor of New York State
Executive Chambers, Capitol Building
Albany, NY 12224

Majority Leader Andrea Stewart-Cousins
New York State Senate
LOB 907
Albany, NY 12247

Speaker Carl Heastie
New York State Assembly
LOB 932
Albany, NY 12248

Dear Governor Hochul, Majority Leader Stewart-Cousins, and Speaker Heastie,

NYS Education Law §211-d(2)(b)(iii)(G) requires that the class size reduction plan submitted on November 15, 2024, by the New York City Department of Education “shall ... be certified by the state or city comptroller that the city school district’s capital and education funding plans will provide sufficient space and staffing for the reduction in class size” set forth in the law. State Comptroller Thomas DiNapoli has delegated that shared responsibility to me as city comptroller.

I am unable to make that certification, as the city school district’s education expense and capital funding plans do not provide sufficient funding to reduce class size as required by state law. Specifically, the City’s Financial Plan released on November 15, 2024, does not include sufficient expense funding to implement the class size reduction plan set forth in DOE’s November 15, 2024, report. Current City and State aid funding are sufficient to maintain current class size levels, which meet the achievement target of 40 percent set by the legislation for the 2024-2025 school year, but not the higher target rates set for subsequent years.

That law also provides that, if the comptroller is unable to make the certification, we should indicate “what measures and/or funding should be added to the plan to achieve such targets.”

The Office of the City Comptroller estimates that the annualized cost of the additional teachers required to achieve the class size targets ranges between \$1.24 billion and \$1.38 billion at full implementation in Fiscal Year 2028. The Office of the City Comptroller estimates that additional funding ranging between \$168 million and \$214 million is needed in Fiscal Year 2026, and additional funding ranging between \$687 million and \$782 million is needed in Fiscal Year 2027. These estimates assume that Class Size Reduction and Contracts for Excellence funding of \$181.7 million provided to schools this year will continue.

These estimates of additional expense needed to comply with the class size reduction law assume that funding would be provided only to schools with classrooms not in compliance as of the 2024-2025 school

year. Building such increases into the Fair Student Funding Formula in a way that funds a broader range of schools would exceed the range of cost estimates provided above.

In addition, the City's current capital plan does not include sufficient funding to comply with the state's class size reduction law. The NYC School Construction Authority (SCA) previously estimated that the full cost to implement the class size targets pursuant to NY Education Law Section 211-(d)(2)(b)(ii) could total between \$22.3 billion and \$26.8 billion. The SCA included \$6.13 billion for new capacity in its Proposed Five-Year Capital Plan for FY 2025 – FY 2029 published on November 1, 2024, which would reduce the estimated need to between \$16.2 billion and \$20.7 billion. This added funding includes the \$2 billion in authorized commitments required by the FY 2025 State Budget (Education, Labor, Housing, and Family Assistance FY 2025 State Budget Bill, Part TT, Section 2).

The city school district is currently in compliance with the achievement targets set by legislation for the 2024-2025 school year, but outyears are not adequately funded to meet the subsequent higher target rates. The city school district's education expense and capital funding plans do not provide enough funding to further reduce class size as required by state law. At this time, and for the reasons listed above, I am unable to make the certification.

Sincerely,



Brad Lander
New York City Comptroller

cc:

Mayor Eric Adams
New York State Comptroller Tom di Napoli
New York State Education Commissioner Betty A. Rosa
New York City Public Schools Chancellor Melissa Aviles-Ramos
Office of Management and Budget Director Jacques Jiha
United Federation of Teachers President Michael Mulgrew