



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

June 20, 2024

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, 2023 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 Plans released on November 16, 2023, January 16, 2024, and April 24, 2024 do not include sufficient expense funding to implement the class size reduction plan set forth in DOE’s November 15, 2023 report. Current City and State aid funding is sufficient to maintain current class size levels, which achieve the target set by the legislation for the 2024-2025 school year, but not higher targets 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 cost of the additional teachers required to achieve the class size targets ranges between \$1.50 billion and \$1.65 billion at full implementation in Fiscal Year 2028. The Office of the City Comptroller estimates that additional funding ranging between \$374.2 million and \$422.5 million is needed in Fiscal Year 2026, and additional funding ranging between \$920.7 million and \$1.02 billion is needed in Fiscal Year 2027.

The estimates of additional expense needs in future years assume that funding will be provided directly to schools to reduce the size of classes not in compliance as of the 2023-2024 school year. Alternative funding mechanisms flowing through the Fair Student Funding Formula would exceed the range of cost estimates provided herein.

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) estimates 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 \$4.13 billion for new capacity in its Proposed Five-Year Capital Plan for FY 2025 – FY 2029 published on February 1, 2024. Subsequently, the City's April 2024 Capital Commitment Plan fully funded the SCA's Proposed Plan.

The City's Capital Commitment Plan does not include the \$2 billion in additional authorized commitments required by the recently enacted FY 2025 State Budget (Education, Labor, Housing, and Family Assistance FY 2025 State Budget Bill, Part TT, Section 2). However, even if this additional amount was added to the Capital Commitment Plan, total planned commitments would still fall far short of the \$22.3 billion estimated by the SCA to be necessary to meet the targets of state law.

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 David C. Banks
Office of Management and Budget Director Jacques Jiha
United Federation of Teachers President Michael Mulgrew