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[NEW CLASS SIZE LAW COULD HAVE UNINTENDED CONSEQUENCES FOR NYC SCHOOLS](#)

Bill Raises Questions About High Costs, Equity, and Implementation

The Independent Budget Office (IBO), at the request of State Senator Robert Jackson, [assessed](#) the potential costs and implications of state education legislation that established new, smaller class size limits for kindergarten through 12th grade. The bill, signed by Governor Kathy Hochul in September 2022, is to be implemented over five years and comes with no additional revenue attached, unlike the 2007 Contracts for Excellence law that was passed following the resolution of the Campaign for Fiscal Equity class size case. The bill would trigger the need to hire thousands of teachers, IBO found, at a cost of at least \$1.6 billion annually for full compliance when school budgets may be shrinking due to lower enrollment and expiring federal funding. Middle and high schools would face extra challenges to maintain the selection of courses they currently offer.

“IBO was asked to look into what a widely advocated goal of smaller class sizes – now a state law – could look like in practice,” said **IBO Director Louisa Chafee**. “Our analysis provided some caveats about how implementation of legislation to achieve this long-held educational policy goal may come into conflict with fiscal constraints and hiring challenges in the current environment. Our report underscores the importance of careful long-range planning to achieve desired outcomes.”

Senator Robert Jackson said, “The data in this IBO report serve as valuable tools to inform a plan that advances the reduction of class size in New York City. Reducing class size has been an enduring battle intrinsic to the Campaign for Fiscal Equity. The pursuit of smaller class sizes within CFE not only secured a remarkable \$16 billion for school construction and teacher recruitment, but also established the pivotal Contracts for Excellence, safeguarding the provision for smaller classes. The state’s Foundation Aid formula, recently fully funded and henceforth sustained, further underscores this cause. Tracing its origins back to 1991, this commitment isn’t new; but at long last, we are diligently undertaking the difficult task of upholding it.”

To analyze the impact of the new requirements, IBO examined class sizes over roughly 90 percent of schools in the public school system with the exception of certain schools and classes that are exempt. We found that:

- Although class sizes were typically smaller in lower grades in part due to union contract requirements, 53 percent of grade 1-6 classrooms would be considered over enrolled under the bill's new standards and over enrollment would be most pronounced in grades 1-3. Only 47 of 661 early childhood and elementary schools would not have had over-enrolled classes under the new rules.
- Fewer middle, secondary, and high schools would have met the new class size rules based on 2021-2022 data—only 33 among 725 schools studied. Over enrollment would pose a greater challenge for middle, secondary and high schools as students move from class to class for different subjects, with each class potentially having multiple sections.
- The impact of the law will be different by geographic school district as well. For example, based on 2021-2022 school year class sizes, districts in Queens would have had the highest over enrollment. (Tables of over-enrolled classes and teacher need by school district and school type can be found in the report's appendix on page 12.)
- While the legislation prioritizes lowering class sizes in high poverty schools, IBO's analysis revealed that over enrollment was more prevalent in schools with lower concentrations of poverty. Schools which are less likely to be out of compliance with the new class size bill may nonetheless see resources to fund class size reductions ahead of other schools with high levels of over enrollment, but lower poverty levels.

The IBO found that to comply with the new requirements, approximately 17,700 teachers would need to be hired with a price tag between \$1.6 billion and \$1.9 billion annually, with two thirds of the cost going towards hiring at middle, secondary, and high schools.

City classes would likely be in compliance for the first two years of implementation, but the need to hire additional teachers would increase sharply for the last three years.

In terms of classroom space to accommodate additional classes, the most recent amendment of the School Construction Authority's capital plan includes plans for 24,000 elementary and middle school seats in 20 of 32 school districts and 4,100 high school seats in Brooklyn and Queens. It is difficult to assess how these new projects and seat additions will impact class size because there are no class, specific grade level, or programs assigned to the seats being created. So additional capital costs could be required for implementation.

Challenges and Unintended Consequences

Will the City have funds to hire teachers and will teachers be available?

Amid a national teacher shortage, the number of teachers that the DOE will need to hire to comply with the class size bill raises questions about whether there are enough teachers to hire, and if they will have the experience necessary to help populations in need. Hiring new teachers with less experience could negatively impact the desired outcome of lowering class sizes. The need for more teachers comes at a time when schools are facing reduced budgets reflecting declining student enrollment. The City plans to reduce DOE's budgeted headcount over the next few years, not increase it, but the new law may force a

change in that plan. Compounding matters, the expiration of federal COVID-19 relief funds that have supplemented local and state funding adds downward pressure on the DOE budget. These factors, in turn, may determine what path schools and DOE central administration decide to take to comply with the new law. Failure to comply with the new law could jeopardize state Contract for Excellence funds.

Will compliance reduce quality of course offerings and affect school choice?

Finally, reducing class sizes in middle, secondary and high schools where students attend multiple subject classes each day is more complex. To meet class size requirements, school leaders may focus resources on core courses, reducing the number of electives and AP courses. The availability of enriched offerings may, in turn, affect family choices regarding which schools they seek to have their children attend. Enrollment at some schools could be reduced in order to comply with the class size rules, potentially limiting access to schools offering more enriched programming.

As always, the devil is in the details and how the DOE implements the new requirements will determine the effect of this new legislation. DOE released a draft plan for meeting the class size reduction targets in May. The final plan is due in the fall.

New York City Independent Budget Office

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