



**class size matters**

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**Options for reducing DoE's budget without touching the classroom**

- **\$23 million:** cancel (or do not renew) contracts w/ McGraw Hill and Scantron for Acuity, or interim assessments. These contracts end in Aug. 2011 and most parents, teachers and even principals think they are worthless.
- **\$4 million:** cut contracts with TFA and New Teacher Project and instead retrain current teachers for licenses in shortage areas.
- **\$400 million:** cut the projected increase in spending on private contracts and consultants by two thirds
- **\$2 million:** cut back on the growth in Children First Network and cluster staff
- **\$15 million:** moratorium on opening new schools.
- **\$15 million:** freeze spending for central administration
- **\$21 million:** freeze spending on technology
- **\$9 million:** reduce contract spending on professional development by using in house staff
- **\$100 million:** Charge co-located charter schools for the space and services that the city now provides in DOE buildings for free. (*note: some of these are overlapping*)

**Total: up to \$600 M dollars in savings.**

**Tap into City Reserve Funds**

- **\$200 million:** The proposed 2012 budget has a general reserve fund of \$300 million (\$200 million more than the legal minimum.).
- **\$200 million:** \$2 billion is currently in the health care reserve fund; \$200 to \$300 million more could be withdrawn from this optional fund.

**Total: At least \$400 million.**

**Revenue increases**

- **\$450 million:** Do not let state's millionaire tax lapse, and/or impose one in NYC (needs state approval)
- **\$65 million:** Extend the Mortgage Recording Tax to coop apartments (needs state approval but even the Mayor supports this one)
- **\$100 million** in FY 12; \$275 million to \$400 million in subsequent years: Gradually raise Cap on Property Tax Assessment Increases (requires state approval)
- **\$300 million:** Extend the General Corporation Tax to Insurance Company Business Income (requires state approval)
- **\$200 million:** End the Unincorporated Business Tax exemption for hedge fund profit (requires state approval)
- **\$120 million:** Big Six banks have over \$600 million in current contracts with NYC for services – these could be cut back by 20% when students are facing the loss of so many teachers and programs.

**Total: At least \$1.2 billion, but most would need state approval; more realistic options for next year.**