



THE NEW YORK CITY DEPARTMENT OF EDUCATION

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OFFICE OF THE CHANCELLOR
52 Chambers Street – New York, NY 10007

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State Senator Eric Schneiderman
80 Bennett Avenue
New York, NY 10033

Dear Senator Schneiderman:

Thank you for your letter regarding our implementation of the New York State Early Grade Class Size Reduction Program (EGCSR). This is to follow up on our meeting with you on November 22nd during which we discussed the issues you have raised.

We want to emphasize the Department of Education's (DOE) commitment to full implementation of this important initiative. Since the introduction of the program, we have achieved substantial reductions in early grade class size. As reported by both the Independent Budget Office and the Mayor's Management Report, average class size across grades K-3 has been continuously declining since at least 1998-1999. This trend has been true at each individual grade level as well, with the exception of kindergarten which experienced a small increase in 2003-2004 (further explained below.)

It is also important to note that although the state EGCSR program has never been fully funded by the state to achieve the goal of a class size of 20, DOE has continued to support class size reductions, including providing significant city tax levy funds to maintain the program's scope. Furthermore, when the program was eliminated in previous State Executive Budgets the Chancellor and the Mayor fought vigorously to reinstate EGCSR.

Under the EGCSR program, DOE has received \$88.8 million each year since 2000-2001 to partially fund between 1,586 and 1,589 additional K-3 classes. While the EGCSR grant has remained the same over the past five years, teacher costs have increased significantly resulting in the grant covering only 56% of costs for the current fiscal year. In order to maintain the program, DOE has increased the value of City tax levy revenue by 76 percent, from \$21 million to \$37 million, during this period. We also have increased the amount of federal funds used for this purpose by 78 percent, from \$19 million to \$33.8 million, during the same period. In sum, with state funding capped, non-state funds have increased by greater than \$30 million. The table on the following page details the cost of the program and how DOE has supplemented the grant.

School Year:	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
EGCSR Grant	\$88.8M	\$88.8M	\$88.8M	\$88.8M	\$88.8M
#Classes as per EGCSR Grant	1,589	1,589	1,586	1,586	1,586
Budgeted Cost of Classes	\$128.8M	\$127.5M	\$143.6M	\$146.4M	\$159.6M
-Federal contribution	\$19.0M	\$17.7M	\$33.8M	\$33.8M	\$33.8M
-City Tax levy contribution	\$21.0M	\$21.0M	\$21.0M	\$23.8M	\$37.0M
EGCSR Funded %	69.0%	69.7%	62.0%	60.7%	55.7%

We have reviewed the Independent Budget Office (IBO) analysis attached to your letter and would like to address the specific points raised in your letter:

- Although the value of the EGCSR grant has been capped at \$88.8 million for the past five fiscal years while costs have continued to escalate, the DOE has been able to maintain reduced class sizes and even make slight gains in overall reductions. Within the small changes in the overall trend, there may be larger changes that occur at the district and school level attributable to demographic shifts. Each year regional staff review their districts and recommend schools for early childhood class size reduction based on projected registers and available classroom space. As resources (based on projected registers) are shifted between schools, average class sizes may change. Slight yearly variations may include small temporary increases in average class size in some areas; however, increases in one year have in general been followed by decreases in the following year as district plans are adjusted. Despite such variation and the capping of the EGCSR grant, all districts have significantly decreased their average class size from the program's base year, 1998-1999. Furthermore, a small increase in one district in a given year has been offset by a decrease in another district. Nineteen of thirty-four districts analyzed by IBO experienced no change or an average decrease of six-tenths (.6) in class size last year while fifteen experienced an average three-tenths (.3) increase.
- Although K-3 total enrollment has declined, the effect on class size, spread over all regions, is minimal. The DOE has maintained base level funding per class and supplemented the EGCSR grant; but because the EGCSR grant is capped, it can only support about 12% of all K-3 classes, thus limiting our ability to further reduce class size.
- DOE is in the process of revising its methodology to calculate class size as a result of the IBO analysis. Our previous methodology, which dates back at least six years, included classes of long-term absent (LTA) students likely to be removed from a school's register. While not yet finalized, the tentative results of the revised methodology indicate that the trend for kindergarten classes has basically mirrored the funding level of the program, with big drops each of the first two years when funding was quickly expanding to its current level. Since funding was capped, gains have slowed but average class size is now three students per class lower than it was in the base year of the program. The table below details the average class sizes for kindergarten since the beginning of the program under the various

methodologies. It is particularly difficult to project kindergarten registers since there is no previous register for its students and it should be noted that contrary to the general enrollment decline, there was an increase in the citywide kindergarten register last year.

- **Average Class Size for Kindergarten**

Effect of Different Calculation Methodologies

State Funding:	Base Year	\$47.8M	\$88.8M	\$88.8M	\$88.8M	\$88.8M
Methodology/School Year	98-99	99-00	00-01	01-02	02-03	03-04
IBO	23.8	22.4	21.5	21.1	20.7	20.9
Previous DOE	23.6	22.2	21.3	20.9	20.4	20.3
DOE excluding LTAs1[*]	23.9	22.4	21.5	21.1	20.8	20.9

- Although declining enrollment in grades K-3 may affect the total number of classes, the number of new classes formed by DOE has not declined the past three years. The IBO methodology does not distinguish between those classes established with the base funding level and those created as a result of the EGCSR program. DOE calculates the number of classes that would be formed at a school using the DOE base funding allocation and compares this number to the total number of K-3 classes actually formed. Extending this calculation across the city, the difference is the number of additional classes funded by the EGCSR grant. For example, there were 94 kindergarten students at P.S. 115 in Manhattan during 2002-2003. Applying our normal K-3 funding allocation we would have budgeted four kindergarten classes. We actually provided five kindergarten classes – so one new class was formed last year as part of the class size reduction program. Simply comparing the total number of classes in the program’s base year to those that existed last year is misleading within the context of declining enrollment. A better comparison would consider both the number of students and the number of classes as noted above. According to IBO’s figures, the number of K-3 students declined 10% between 1998-1999 and 2003-2004 while the number of K-3 classes increased 4%.
- DOE complies with requirements of the EGCSR program by filing an annual district plan with the SED detailing how we anticipate providing the 1,586 additional classrooms that are partially funded by the Early Grade Class Size Reduction program. We have continued to provide the additional classrooms required in our award letter which meets the intention of the law.

1[*] Note that DOE is in the process of revising its methodology to calculate class size and these figures may be subject to further change.

It is also important to note that class size statistics are not the same as student-teacher ratios and, therefore, do not reflect other initiatives that are putting a growing amount of resources into our classrooms. For example, collaborative team teaching (CTT) classes put a second teacher into inclusion classes consisting of both general education and special education students. These classes on average consist of about 20 students for kindergarten and first grade and two teachers. The number of these classes for these two grades has more than tripled from 102 in 1998-1999 to 334 last year. Class size statistics also omit push-in teachers that are funded by the federal Title IIA program. Push-in teachers are added to schools with large classes whose buildings have no space to create additional classrooms. This year 988 additional teacher positions were funded by the federal program. Our commitment to smaller class size is also manifest in our \$13.1 billion Five-Year Capital Plan which would provide additional space to reduce class size to 20 students for all K-3 classrooms, provided that DOE receives the necessary increase in its operating funds to support the required teaching positions as proposed in the city's Campaign for Fiscal Equity (CFE) plan.

Please let us know if you have additional questions about our implementation of the Early Grade Class Size Reduction program. Thank you for your support of the Children First agenda.

Sincerely,

Kathleen Grimm

Deputy Chancellor, Finance & Administration
