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Testimony before the City Council Education Committee

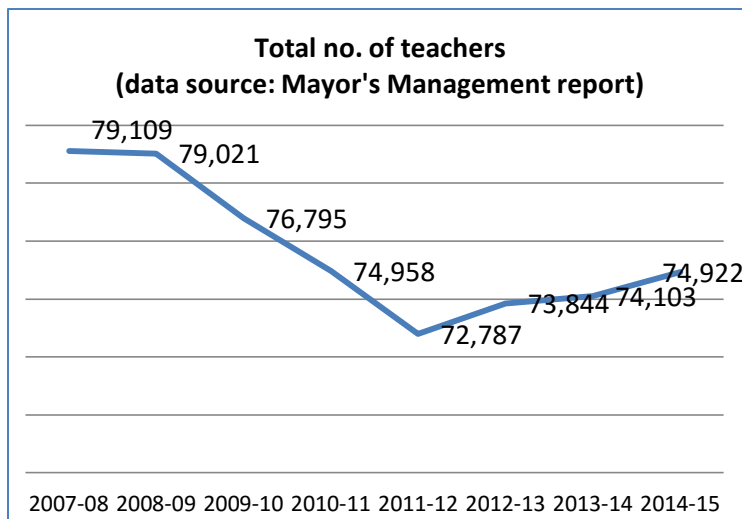
On the Department of Education's proposed expense budget for FY 2017

March 16, 2016

Dear Chair Dromm and members of the Education Committee:

Thank you for holding these important hearings today. My name is Miho Watabe, and I am the research associate for Class Size Matters, a citywide parent and public interest group that advocates for better schools and smaller classes in New York City.

Unfortunately, school budgets have not recovered since the recession and the cuts both the city and the state started to impose in 2007, no less kept up with rising costs. While in FY 2008, schools were provided with 100% on average of their Fair Student funding, this year the average is only at 89% and if the mayor's proposed budget is adopted, next year this figure will rise to only 91% -- reflecting a 9

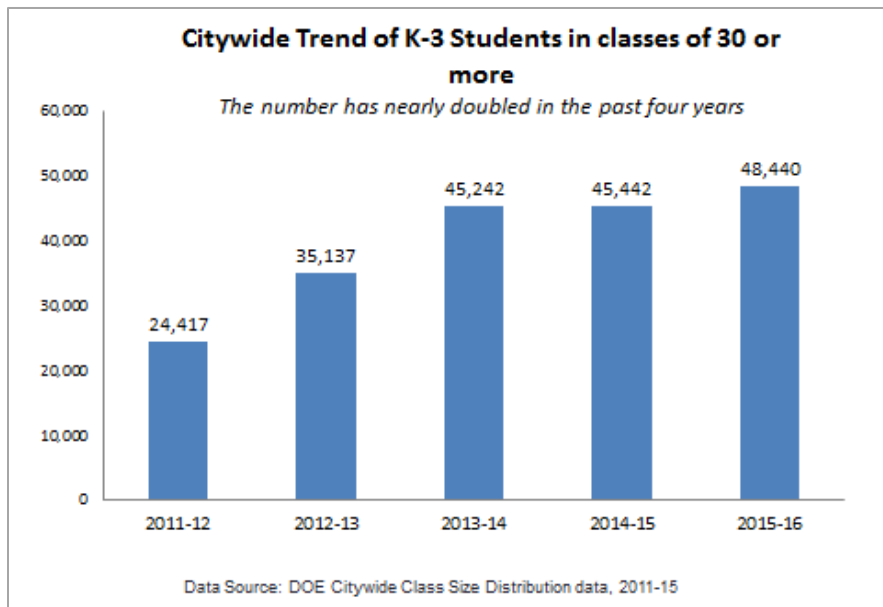


percent cut to our schools since 2007. Moreover, the Mayor's proposed budget does not project any increase in Fair student funding in the out years.

Though this is partly a result of state cuts, the city is equally responsible and actually began cutting back on school budgets before the state. Even the modest proposed increase in Fair student funding levels for next year is dependent upon increased state funding of next year.

The result of these substantial cuts to schools has been a loss of more than 4,000 teachers between 2007 and 2014. While the last two years have seen an increase of about 1,000 teachers, nearly all of them are assigned to preK classes, rather than in grades K-12. Given rising enrollment, the predictable

result has been substantial increases in class size in all grades since 2008, of about 15% in grades K-3, 6% in 4th – 8th, and 2% in HS grades.¹



While the sharp increase in average class sizes appear to have leveled off the last few years, these averages do not tell the whole story. Most egregiously, there are over 350,000 students crammed into classes of 30 or more this year. The number of children in classes thirty or more in grades K-3 have doubled over the last five years.

This acute rise in the number of K-3 students in

classes of 30 or more is partly a result of school overcrowding and budget cuts; but also because in 2011, the DOE and the UFT stopped honoring a side agreement to cap class sizes in grades 1-3 to 28 students or less which had existed for over 20 years.

This year, a DOE memo was sent to principals telling them they could raise class sizes to 27 in Kindergarten, even though 25 students per class has been the contractual maximum in this grade for at least 50 years. This led to 331 Kindergarten classes of 26 students or more this fall, with more than 8,800 students crammed into classes violating the union contract.²

In place of allocating sufficient funds to schools, restoring their budgets, and allowing for class size reduction to occur, there are many aspects of the administration’s spending which appears unwise and even wasteful.

Since October, the DOE has spent almost 70 million on consultants for professional development related to the Common Core, even though the State Education Commissioner has said the Common Core is likely to be significantly changed. In the Renewal schools, the DOE has hired Scholastic to do training for family engagement at a cost of more than \$2300 per hour.³

And of course, there is the egregious \$1.1 billion internet contract that was to be awarded to Custom Computer Specialists, a company that had been implicated in the Ross Lanham kick-back scheme just a

¹ See Appendix A for three trend charts detailing class size averages.

² http://schools.nyc.gov/NR/rdonlyres/80F53A17-A700-4C48-80D2-8C28A0C12C50/0/City_Level_Distribution_Summary_Preliminary_2016.xlsx

³ <http://schools.nyc.gov/NR/rdonlyres/8F8DBCBC-E82A-49E0-9197-B3E1E25C7A18/191049/December162015AgendaFirstFinalNoUPKo.pdf>

few years before.⁴ This scandal had originally caused the City to lose at least \$120 million in federal E-rate funds between 2011 and 2013. If the city hadn't rejected the new contract to this vendor after it was approved by the Panel for Educational Policy, DOE would likely not have had any chance to receive E-rate funds for years to come.⁵ After the story broke in the media, this contract was hurriedly negotiated down to \$637 million, then rejected by the city in March, and more recently re-bid to other vendors at \$472 million. Thus taxpayers and the DOE were saved at least \$627 million and probably more.⁶

On December 22, 2015, the FCC imposed a consent decree on DOE because of the Lanham scandal.⁷ This included a fine of \$3 million, a demand that DOE drop all requests for further E-rate funds for the years 2003-2013, submit a detailed compliance plan with quarterly reporting, appoint an independent compliance monitor, commission independent annual audits, review policies and procedures to ensure compliance with fair and open competitive bidding processes, and undertake compliance training for DOE employees.⁸

Along with Patrick Sullivan, former Manhattan member of the PEP, we have formed a Citizen's Contract Oversight Committee to provide more feedback and transparency for the DOE's contracting and procurement processes. I strongly believe there needs to be more public officials, including the City Council, involved in the oversight process to ensure against waste and fraud. Every cent that is spent on education must be spent wisely, especially when NYC children are still deprived every day of a quality education by being starved for attention and crowded into class sizes that are too large to learn.

For example, in the proposed contracts to be voted upon March 23 at the PEP, fully half of them (17 of 35) are retroactive- with many having begun in July 2015 and one as early as May 2015; which prompts the question what is the point of a vote if it is held months after the money has been paid and the services delivered.⁹

There are five contracts for Head Start and preK vendors with no names or amounts reported despite the promise of DOE to reveal this information at least a month ahead of the PEP votes. For numerous textbook and online program contracts, there are no comparative evaluations of quality or evidence of market research as to why these particular vendors were chosen; with less analysis offered than in the detailed description of why a particular vendor for snow tires was selected. The proposal to pay Bard Collage nearly a million dollars for additional services to the two Bard High schools, which are both highly selective schools with comparatively few high-needs students, does not appear to be aligned with their Fair Student Funding system.

⁴ <http://nycpublicschoolparents.blogspot.com/2015/02/was-company-due-to-receive-125-billion.html>

⁵ <http://www.nytimes.com/2014/11/27/nyregion/new-york-schools-missing-out-on-millions-in-technology-funding-comptroller-says.html>

⁶ <http://www.nydailynews.com/new-york/education/gonzalez-nyc-backs-huge-school-contract-saves-163m-article-1.2474357>

⁷ <http://www.nydailynews.com/new-york/adviser-costs-nyc-123m-cheating-federal-school-program-article-1.2560651?cid=bitly>

⁸ https://apps.fcc.gov/edocs_public/attachmatch/DA-15-1434A1.pdf

⁹ <http://schools.nyc.gov/NR/rdonlyres/C15236C5-F267-4ADD-907E-765FA4A86D68/193334/March232016RAs.pdf>

Speaking of Fair Student Funding, the DOE weights and allocations per student do not make sense to us given the research on what is most effective to help children learn.¹⁰ The smallest amount of funding is allocated to students in grades K-5, where the investment in smaller classes has huge pay-offs in terms of increased student achievement. More funding on the level of 8 percent is allocated for students in grades 6-8, an additional 3 percent for high school students, and 40-50 percent additional funding for remedial services as a student falls behind, starting in 4th grade. Yet as many studies indicate, remediation is far less effective than prevention, which ensures that students do not fall behind in the first place, especially in the form of smaller classes in Kindergarten through 3rd grade.

The FSF weights are far greater for special needs students if they are assigned to inclusion classes starting in Kindergarten, (with a weight of 2.09) and in grades 1-12 (with a weight of 1.74), though the class sizes in these ICT classes are generally far too large to provide students with the individual attention they need.

The failure of DOE's inclusion program, caused in large part by the excessive class sizes of ICT classes, is something we hear constantly from parents of special needs students. This is further evidenced by the fact that since the fall of 2012, there have been sharp increases in the numbers of students recommended for special education services, as well as the number of students attending non-public schools at city expense, according to the Mayor's Management report.¹¹

Total special education enrollment in grades K12 has increased by 25 percent in four years since the inclusion initiative began in earnest in 2012, at a huge expense to the city. The increase in the number of students identified as having special needs is yet another indication of the hidden cost of rising class sizes, especially as class size reduction has been shown to significantly reduce the number of students identified as requiring special services.

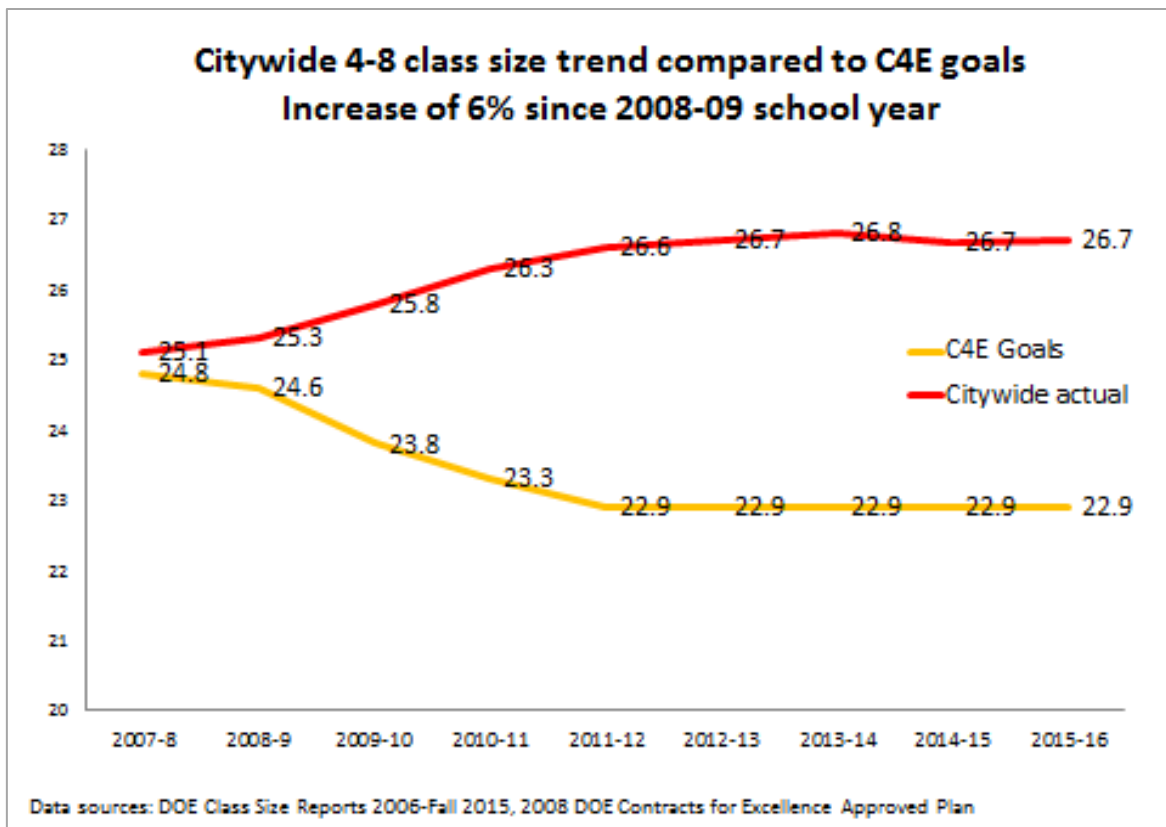
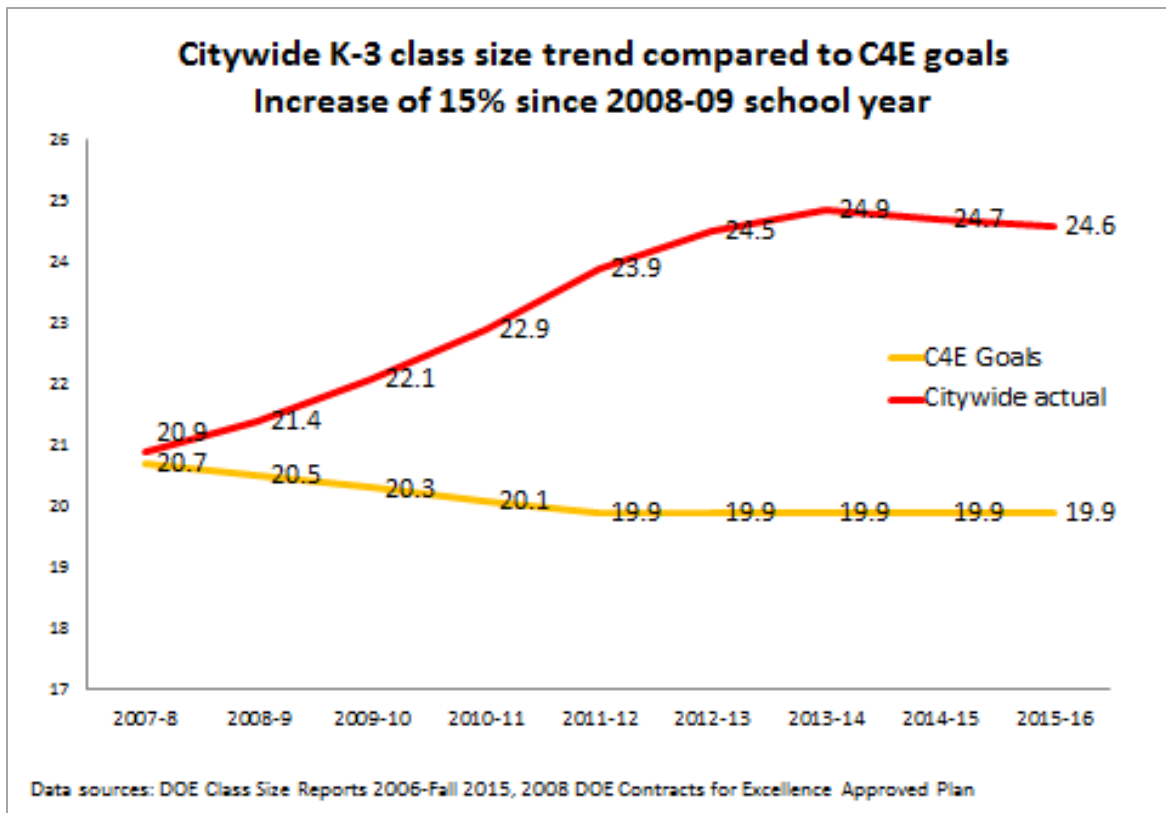
Finally, we are very concerned about the rapid growth of the funding for charter schools. In the Mayor's Executive Budget for next year, charter school funding will cost the DOE a projected \$1.5 billion, rising to \$2 billion by FY 2020, not counting the costs of facilities, either leased or in DOE buildings. On top of this, DOE is now also funding a new program called "District-charter collaboration" which is projected to sharply increase to \$2 million next year and increasing to \$5 million in FY 2020. What is this program paying for and how is this collaboration going to benefit our public school students? Is the private sector providing matching funds for this program, or is DOE burdened with all the expense? These are questions that must be asked, especially as the state has still not enforced the 2010 charter law that requires that charter schools enroll and retain their fair share of high needs students, including English Language Learners and students with disabilities.

Thank you for the opportunity to speak to you today.

¹⁰ http://schools.nyc.gov/offices/d_chanc_oper/budget/dbor/DFPM_Home_Page/cec_fsf_deck.pdf

¹¹ Preliminary Fiscal 2016 Mayor's Management Report, Feb. 2016, posted at <http://www1.nyc.gov/assets/operations/downloads/pdf/pmmr2016/doe.pdf>

Appendix A: Citywide class size trend charts for K-3, 4-8, and High School grades. Averages are compared to C4E goals.



Appendix A Continued.

