



Class Size Matters
124 Waverly Pl., New York, NY 10011
Phone: 917-435-9329
info@classsizematters.org
www.classsizematters.org

Class Size Matters testimony on the Council resolution demanding the Mayor restore the cuts to Fair Student Funding

August 22, 2022

Thank you, Chair Joseph and members of the City Council for holding these hearings today, and for this resolution, demanding that the Mayor agree to a budget modification to restore the \$469 million in cuts to Fair Student Funding (FSF) as soon as possible. My name is Leonie Haimson and I am the Executive Director of Class Size Matters, a non-profit that focuses on DOE budget oversight and advocates for smaller classes in the NYC public schools.

We hope that Mayor Adams listens to the voices of parents, teachers, students, and elected officials, speaking in unison about the damaging impact of these cuts on our schools, just when our children need stability to reconnect and recover from the disruptions caused by more than two years of a pandemic, which is still with us. ¹

Two additional points: We found that as of yesterday, August 21, 2022, the actual level of cuts from school's overall budgets was \$1,288,874,502, compared to their FY 2022 Galaxy budgets, according to

Galaxy Allocations Budget Cuts and Increases		
	Number of Schools	Percentage of Schools
Budget Cuts	1514	96%
Budget Increase	68	4%
Total	1582	100%

More specifically, 1,514 schools saw cuts, while only 68 saw increases. Those schools that were cut experienced an average cut of \$865,182, or about 10.6% of their budgets; with a total amount cut of \$1,309,866,102. Those schools that saw increases had an average increase of \$309,994, or 6.4% of their budgets.

¹ <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=5755023&GUID=848F5B71-5717-471E-A0F8-826F961BD111>

Total & Average Change in School Budgets as of August 21, 2022						
Budget Status	Sum of FY 2022	Sum of FY 2023	Sum of Difference	% Change	Average of Difference	Average of % Differe
Budget Cut	\$12,892,453,448	\$11,582,567,346	(\$1,309,886,102)	-10.2%	(\$865,182)	-10.6%
Budget Increase	\$485,305,941	\$506,317,540	\$21,011,599	4.3%	\$308,994	6.4%
Total	\$13,377,759,389	\$12,088,884,886	(\$1,288,874,503)	-9.6%	(\$814,712)	-9.9%

We also analyzed the total amount of funding that was added to school budgets through School Allocation Memos after August 21 in FY 2022, and found they totaled about \$356 million, so that we can expect that if no funding is restored, the total actual cuts will be close to a billion dollars.

If there is an agreement with the Mayor and a budget modification to restore at least the Fair Student Funding portion of these cuts, we urge you also to ask for a Memorandum of Understanding to specify that the additional funds must be used to return schools to last year’s FSF Levels. This MOU should also specify that the additional funding should be distributed to schools in a separate budget allocation as soon as possible, and before the start of the school year.

It would also be optimal if the Council could also negotiate a separate Terms and Conditions to require DOE to regularly report several times a year on the actual funding provided to school budgets, both the totals and at the individual school level.

In future years, the Council should seriously consider asking for a new unit of allocation that would be a subset of General Education and Special Education U of As, to reflect school-level allocations, or else we may never be sure in advance which funding is actually provided to schools and which will be used for other purposes within the hugely non-transparent budget of the DOE.

Some additional points as to the Fair Student Funding formula, which is neither fair nor adequate in many ways. In a recent presentation to the FSF working group, DOE claims that “FSF was adopted in 2007 in response to the 2007 New York State Court of Appeals ruling in the Campaign for Fiscal Equity case.”²

But this is only true to the extent that the DOE officials were expecting the additional billions in state funds would help them increase funding in the formula to 100 percent, which did not eventuate until last year.

In fact, then-Chancellor Joel Klein intended that the formula would give principals maximum flexibility as to how to spend the funds, rather than address the specific deficiencies that were specified in the CFE court decision and the implement Contract for Excellence law, which was to try to ensure that the additional funds would be spent to improve the specific conditions in schools that the Court found in violation of the state constitution, most notably excessive class sizes.

In fact, the FSF formula worked against the ability of schools to lower class size, and incentivized principals to overcrowd classrooms and schools, because it is so closely linked to enrollment. The FSF Taskforce created by the City Council in 2019 surveyed principals, of whom 80% of the identified large class sizes as a consequence of the FSF formula, according to Shino Tanikawa, one of the members of that Taskforce.³ And one of the recommendations of the parent and advocate members of the Task

² https://infohub.nyced.org/docs/default-source/default-document-library/fsf-working-group_meeting-1_072822.pdf

³ <https://nycpublicschoolparents.blogspot.com/2021/11/why-fair-student-funding-task-force.html>

force was that DOE should develop a class size reduction plan, with specific milestones and timelines to be attained.⁴

When the FSF system was first imposed in 2007, several advocates including Noreen Connell, then the Executive Director of the Educational Priorities Panel, pointed out in the NY Times that it would be far preferable to enact “a system that seeks to calculate a school’s staffing needs and then provides the dollars to meet them....”*The funding proposals,’ she wrote in commentary posted on the group’s Web site, ‘have the potential to do lasting damage for decades to come.’*⁵

In fact, that is indeed what happened, when Mayor Bloomberg made cuts to school budgets in 2008, and class sizes sharply increased, as we fear will reoccur this year.

There are several programs that are not subject to the Fair Student Funding model and are instead funded on the basis of the need to staff entire classes, rather than individual students, as the previous DOE funding system provided. For example, 3K and PreK classes, for which the DOE is spending more than \$1.8 billion, are not subject to the formula. Instead, these classes are capped at 15-18 students per class, with one classroom teacher and one classroom paraprofessional. Special education PreK classes are capped at even smaller levels, with additional service providers.⁶

The DOE also provides additional funding to each school to “sustain Gifted and Talented (G&T) programs with enrollment lower than 18 students” in grades K-3, though the regular class sizes in these grades can be as large as 25 (in Kindergarten) and 32 (in grades 1st-3rd.)⁷ This additional funding totaled more than \$2.8 million last year, and allowed schools to keep gifted classes in some schools as small as six to eight students per class.⁸ To preferentially fund smaller classes in gifted classes would tend to enlarge disparities and inequities rather than narrow them.

Along with class size increases, the FSF system helped create another negative phenomenon: the absent teacher reserve. Principals were incentivized to excess their most experienced teachers, since their higher salaries would have to be covered by the school rather than centrally, as was the case before the FSF funding system was developed.

Robert Gordon, the consultant who designed Fair Student Funding for DOE explained to the NY Times that the new system would allow principals “to retain their most experienced teachers **if that is what they want to do.** [emphasis added.]”⁹

⁴ <https://drive.google.com/file/d/1vFeZ5ECysE8mXveCLjS-lzB0wNsilnwP/view>

⁵ <https://www.nytimes.com/2007/01/25/nyregion/25schools.html>>:

⁶

https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy22_23/fy23_docs/fy2023_sam026.htm

⁷ This is the language from the FY 2022 School Allocation Memo entitled “Gifted and Talented Supplemental. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy21_22/fy22_docs/fy2022_sam096.htm The FY 2023 SAM has not yet been posted, though the DOE disclosed in a presentation dated May 2022 that they intended to spend \$2 million in federal ARPA funds to expand gifted & talented programming for FY 23. <https://classsizematters.org/wp-content/uploads/2022/05/FY23-Stimulus-and-C4E-Engagement-Plan-1.pdf>

⁸ See the spreadsheet here:

https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy21_22/fy22_docs/FY2022_SAM096_T01.xlsx

⁹ <https://www.nytimes.com/2007/01/25/nyregion/25schools.html>

Combined with the budget cuts starting in 2008 and numerous school closures, hundreds of experienced teachers were let go from schools, which created a large Absent Teacher Reserve pool, costing the DOE more than \$100 million per year. By 2018, the cost of the Absent Teacher Reserve had grown to \$136 million per year.¹⁰

Starting in 2019, DOE offered to a “small number of principals” to pay for some ATR teachers centrally even if they were placed in schools.¹¹ Then, during the pandemic, the DOE placed the majority of ATRs in schools permanently and covered their salaries centrally, helping to lower class size at no cost to schools, which significantly shrunk the ATR pool. This move was publicly opposed by Dan Weisberg, then the Executive Director of TNTP and now First Deputy Chancellor.¹²

The ATR pool was hugely wasteful, in terms of funding and human potential. Teachers were paid their full salaries to be roving substitutes, when they could have been placed permanently in schools to provide support to students and keep class sizes as small as possible.¹³

We risk that the ATR pool will again increase this year if these budget cuts to schools are not restored. Already, 700 teachers were excessed by the end of June, but the previous policy of DOE to allow these teachers to stay in their schools by paying their salaries centrally is longer in effect, according to an internal DOE presentation dated July 27, 2022.¹⁴ At budget hearings in late June, Weisberg claimed that he did not expect the re-emergence of a large ATR pool, but it is hard to see how this will be avoided.¹⁵

This brings up the question, will all the damage done to students by these budget cuts and the disruption to school communities, including increased class sizes and loss of art and music programs, lead to significant cost savings? It is hard to see how.

Thank you for the opportunity to testify to you today.

¹⁰ <https://cbcny.org/research/absent-teacher-reserve-costs-136-million-and-needs-reform> Starting in

¹¹ <https://nypost.com/2019/10/19/doe-spends-100m-per-year-keeping-idle-teachers-on-the-payroll/>

¹² <https://ny.chalkbeat.org/2021/6/17/22538345/nyc-schools-absent-teacher-reserve> .

¹³ <https://nycpublicschoolparents.blogspot.com/2017/08/fair-student-funding-atr-system-two-bad.htm>

¹⁴ <https://classsizematters.org/wp-content/uploads/2022/08/DOE-Excessed-staff-placement-7.27.22.pptx>

¹⁵ <https://nycpublicschoolparents.blogspot.com/2022/06/literally-incredible-claims-by-deputy.html>