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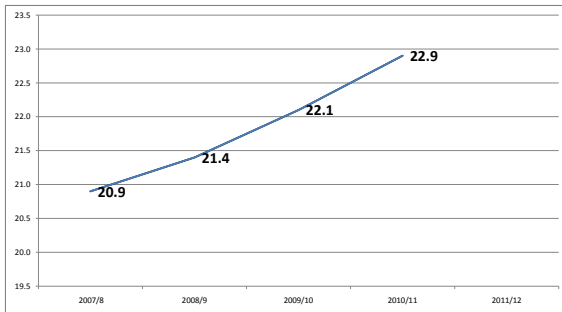
**Testimony of Leonie Haimson, Executive Director of Class Size Matters  
 NYC Council Hearings on Budget Hearings – Education – Expense and Capital  
 June 6, 2011**

Hello, my name is Leonie Haimson, Executive Director of Class Size Matters. Thank you for holding these hearings today.

As I'm sure you're aware, there is tremendous distress among parents about the mayor's proposed cuts to our schools, especially the elimination of more than 6,000 teaching positions, which if it occurs, would be devastating to our children. **We need to prevent the loss of 6,000 teaching positions, not just teacher layoffs, because every lost position means an increase in class size.**

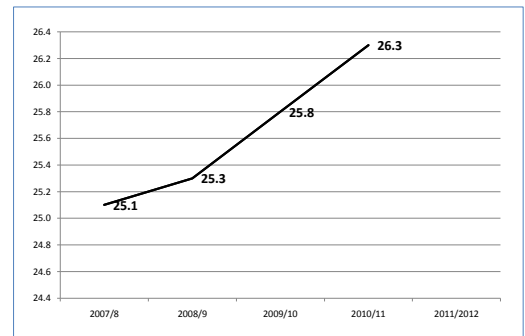
Class sizes have increased sharply in all grades the last three years, and in the early grades they are already larger than they have been in over a decade.

NYC average class sizes grades K-3  
 2007-2010



These additional cuts would likely lead to the devastating increases in class size in more than thirty years, and would permanently damage our children and their future prospects. NYC children continue to be disadvantaged by the largest class sizes in the state, and some of the largest in the

NYC average class sizes grades 4-8  
 2007-2010



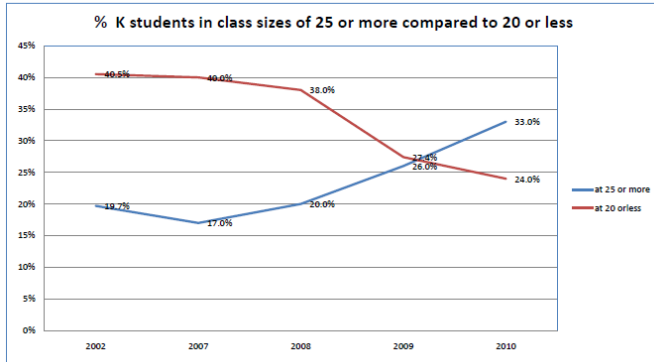
nation.

Recently, a study looked at the children who had been randomly placed in smaller Kindergarten classes more than twenty years earlier. As young adults, the children who had been placed in smaller classes were significantly more likely to have graduated from college, to own their own homes and to have a 401K3 plan than their peers:

*"Students in small classes also exhibit statistically significant improvements on a summary index of the other outcomes we examine (home ownership,*

401(k) savings, mobility rates, percent college graduate in ZIP code, and marital status).<sup>1</sup>

And yet this year, for the first time since the city has been reporting on class size, we now have more Kindergarteners in classes of 25 or larger than in classes of 20 or less; a trend that is likely to worsen if these budget cuts are adopted.



What would be the effect on class size of the elimination of 6,000 teaching positions? The administration projects an increase of two students per class on average; the UFT, a three student increase. But as several Council members have pointed out, in individual schools these cuts are likely to have a far more drastic impact.

When a classroom teacher is eliminated, this can immediately raise the size of classes on the grade by five or six students in a school –

to union contractual levels or beyond, as those students that would have been placed in the class are redistributed to all the other classes in the grade or subject. Accordingly, the impact on many schools is likely to be **non-linear**, to raise class sizes to union contractual limits, which are 30 per class or more in all grades except for Kindergarten.

The potential impact on class size will be exacerbated by the fact that starting this year, DOE told principals they would no longer honor a long-standing side agreement with the UFT that limited class sizes in grades 1-3 to 28 students per class. Now the class size caps in these grades are 32, far above current sizes, and even further above the CFE goals of 20 or less, which are goals that the mayor

	class size caps	CFE goals
Kindergarten	25	19.9
1-3 grades	32	19.9
4-5 (Title 1 Schools)	32	22.9
4-5 (Non-Title 1)	32	22.9
6-8 (Title 1 Schools)	30	22.9
6-8 (Non-Title 1)	33	22.9
9-12 (core classes)	34	24.5

promised to achieve in these grades when he first ran for office, and good policy would demand.

Class sizes could rise even above the UFT contractual limits, since there is an obscure rule called "breakage" meaning if the surplus number of students does not amount to more than half of the limit of a new class, these violations can remain unaddressed.

The situation will likely be even further exacerbated by the physical overcrowding that is worsening throughout the city, due to enrollment growth and the city's aggressive co-location policies.

As of March, there were over 3,000 children on waiting lists for their zoned Kindergarten classes, with more than 25% of elementary schools with waiting lists.<sup>2</sup> Twenty eight out of 32 districts have seen Kindergarten growth in the last two years, with 12 districts experiencing double digit percentage increases in general education Kindergarten students. Special education enrollment is also increasing fast, and over 15,500 kindergartners with special needs still

<sup>1</sup> Raj Chetty et al. "How Does Your Kindergarten Classroom Affect Your Earnings? Evidence from Project Star," NBER Working Paper 16381 [http://econ.as.nyu.edu/docs/IO/16798/Chetty\\_development\\_20101102.pdf](http://econ.as.nyu.edu/docs/IO/16798/Chetty_development_20101102.pdf)

<sup>2</sup> For charts and maps and other data on the overcrowding issue, see Class Size Matters, "The overcrowding crisis in NYC schools and the need to expand the capital plan," May 2011 at <http://tinyurl.com/65dfsyz>

have not yet been assigned seats.<sup>3</sup>

Unfortunately, the overcrowding is getting worse, not just because of enrollment growth, but because of an aggressive co-location policy in which approximately two thirds of charter schools are placed in DOE buildings. Each co-located school, whether charter or not, eats up classroom space because of the need to create their own administrative and cluster spaces, leading to an estimated 10% loss of capacity.

The DOE expects to spend more than \$700 million next year on charter schools, and students in co-located charters receive approximately \$700 more in per pupil public funding than district public school students, according to the IBO's estimate, counting the space and services they receive for free. The approximate worth of what DOE provides to charters for free is more than \$3000 per student.<sup>4</sup> If the city charged these charter schools the full costs of space and services, as the law provides, this would yield about \$100 million in extra funds.

The DOE capital plan for schools is also hugely inadequate. In the November proposed plan, the DOE finally admitted that based on future residential development alone, there was a need for 58,000 new seats, and yet the proposed capital plan has only 28,000 seats.

This is less than half of what is required, since the 58,000 figure did not take into account the goal to eliminate existing overcrowding, nor did it take account rising birth rates, the closure of many parochial schools, or the increased tendency of families to remain in the city to raise their families.

As only one example of the inadequacy of the capital plan: the number of students in overutilized Queens HS has steadily risen – from 73%, to 77% in recent years. There were nearly 64,000 students attending severely overcrowded high schools in Queens, according to the “target” figures in the DOE’s 2009-2010 “blue book.” Yet how many new Queens high school seats are there in the capital plan? 1500 seats – only 2 percent of the current need. Meanwhile, every district in the borough is also experiencing rapid K-8 enrollment growth, which will lead to even worse high school overcrowding in the future.

While cutting new capacity projects almost in half, the DOE has added millions in spending on technology in the capital plan, with more than \$500 million in FY 2012 alone for more computers and wiring. There is no way any computer or computer program can eliminate the need for a closer connection between student and teacher; nor to address the growing crisis of overcrowded classrooms throughout the city.

The City Council must restore the 6,000 teaching positions and strengthen the capital plan to build more seats, or our children will be relegated to even worse overcrowding in the years to come. Some ideas of where more than sufficient resources can be found are below. Thank you for your time.

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<sup>3</sup> Ben Chapman, “Special-ed mess: Officials behind schedule in scramble to find seats for 15,500 kindergartners,” Daily News, June 5, 2011.

<sup>4</sup> Ray Domanico and Yolanda Smith, “Charter Schools Housed in the City’s School Buildings Get More Public Funding per Student than Traditional Public Schools,” Independent Budget Office, February 15, 2011; at <http://ibo.nyc.ny.us/cgi-park/?p=272>

**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.**