

## Class Size Reduction Questions

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In 2003, the NYS Comptroller's Office released an audit of state-funded class size reduction programs, though its existence was largely unknown outside of official circles until 2005. The report found that from 1999-2002 New York City created only 45% of the classes in the early grades that were required by the NYS Legislature.

**Background** In 1997 the state legislature initiated the Early Grade Class Size Reduction program as part of an initiative crafted by the Assembly called LADDER, which also included funding for pre-kindergarten programs and a proposed bond act for schools (which was ultimately rejected by the voters in an off-year election). This initiative, which benefits urban children, was “traded” for the Governor’s STAR Program, a tax relief program that mostly benefits homeowners in rural and suburban school districts (New York City residents get a modest income tax credit). Though the STAR program was implemented right away, it took two years before the class size reduction program was started and funding was frozen after the second year at \$140 million statewide (New York City receives \$88 million of this amount).

The program provides state funding to hire extra teachers (pegged at the median salary of teachers with five years of experience as of the 1994-95 school year). These additional teachers allow high-need schools to add one or two classes to a grade, thereby reducing the average class size of a given grade to 20 students. Funding is for kindergarten to third grade teachers, though New York City secured some funding for the higher grades. The program is targeted to high needs districts throughout the state. With priority given to schools with lowest academic achievement levels. District participation in the program is voluntary.

**The \$733,333 classroom** Among EPP's comments during a February 2005 education budget hearing in Albany was that "the strength of the state's early grade class size reduction program is that it is school and grade specific ... There is no explanation for why, when state funding for class size reduction to New York City increased from \$44 million to \$88 million, only 60 additional classes were formed. To do the math for you, this is \$733,333 per classroom for those created in the 2000-01 school year." EPP comments were based on a chart in the NYS Comptroller’s audit:

District	School Year	Required # Per Award Letter	Actual New Classes/Teachers	Percent Difference
New York City	1999-2000	856	836	-2%
	2000-2001	1,589	896	-44%
	2001-2002	1,589	881	-45%
Buffalo	1999-2000	46	25	-46%
	2000-2001	93	23	-75%

	2001-2002	93	12	-87%
Rochester	1999-2000	46	18	-61%
	2000-2001	92	48	-48%
	2001-2002	92	45	-51%
Yonkers	1999-2000	35	22	-37%
	2000-2001	69	71	+3%
	2001-2002	69	74	+7%
Syracuse	1999-2000	29	24	-17%
		59	51	-14%
		59	65	+10%

Source: New York State Comptroller's Report, *State Education Department, Administration and Oversight of the Early Grade Class Size Reduction Program 2002-S-33*, pp 6-7, 2003.

The audit concludes that NYS Education Department has been lax in its oversight of this program. This does not come as a surprise. In five out of six years, the Regents have recommended the abolition of this program to bring early-grade class sizes in high-need districts to the standards enjoyed in more affluent communities.

State and city education officials have been highly critical of the audit's methods for calculating the number of classes that should have been formed. EPP searched its files and found an early NYS Education Department presentation on the program which stated that New York City was supposed to create 882 new classes in 1999-2000 and 1,641 classes in 2000-01. Officials have countered that, regardless of the original targets, the audit failed to account for a drop in student enrollment. This is a complex issue. The state program will not fund an extra teacher if the number of students in a grade decline and the average of 20 students in a class could be achieved without state funding. Yet student registers in the early grades, on a year-to-year basis, have not declined dramatically.

School officials have also pointed to a lack of adequate space to expand participation in the program with new classes. But EPP's monitoring of overcrowding has consistently found that low-performing schools tend to be underutilized. Most of the community school districts that are low-performing have excess capacity. Since state funding is frozen so that only one third of elementary schools can benefit, the issue of "expansion" is moot. Another possible explanation for New York City's dismal record is that the state funding for extra teachers is pegged to median salaries that are ten years old. But federal class size reduction funding is used to supplement the difference between state per-teacher funding and median salaries.

EPP ended its testimony with a strong recommendation to legislators to follow up on the NYS Comptroller's audit. The legislature took action by including a maintenance of effort clause now in state law that sidesteps the controversy around how many classes should have been created and how to account for student enrollment declines. Essentially, state legislators want to know if school districts are spending more for early-grade teachers and have more classes in this grade span than before the state program began. The new maintenance of effort requirement in the law states:

*"... a school district which: (i) spends less in local funds during the current year than in the base year for the salaries and benefits of teachers in grades kindergarten through three and has fewer classrooms for grades kindergarten through three in the current year than in the base year, and has a higher average class size in the current year in common branch classrooms in grades kindergarten through three than it had in the nineteen hundred ninety-eight--ninety-nine school year; or (ii) spends funds apportioned under this subdivision in an unauthorized manner, shall have its apportionment reduced in an amount equal to such deficiency in the current year or in the succeeding school year, as determined by the commissioner."*

Going forward, the legislature may pay closer attention to the implementation and oversight of the Early Grade Class Size Reduction program. The State Comptroller's Office is set to release a new report auditing this program with more current data as well as reviewing the city's own, small class size reduction program. EPP welcomes a review, because the size of the city's program is also in dispute.

### **State Early Grade Class Size Reduction Funding**

<b>District</b>	<b>1999-2000</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>Three-Year Total</b>
Buffalo	\$2,262,002	\$4,618,385	\$4,787,827	\$11,668,214
New York City	\$47,841,415	\$88,837,812	\$88,785,831	\$225,465,058
Rochester	\$2,343,651	\$4,352,903	\$4,898,784	\$11,591,338
Syracuse	\$1,621,854	\$3,299,693	\$3,111,270	\$8,032,817
Yonkers	\$2,303,036	\$4,248,850	\$4,332,250	\$10,884,136
<b>Total Big Five</b>	<b>\$56,371,958</b>	<b>\$105,357,643</b>	<b>\$105,911,962</b>	<b>\$267,641,563</b>
All Other Districts	\$16,546,191	\$31,528,667	\$30,974,348	\$79,049,206
<b>Statewide Total</b>	<b>\$72,918,149</b>	<b>\$136,886,310</b>	<b>\$136,886,310</b>	<b>\$346,690,769</b>