

November 15, 2025 Financial Impact Statement Required by Education Law 211-d

The New York City Public Schools (NYCPS) submits this Financial Impact Statement, as required by Education Law Section 211-d, regarding the implementation of the State-mandated Class Size Reduction Law.

This financial impact statement includes NYCPS estimate of spending on class size reduction in FY 2026 (SY 2025-26) as well as estimates for the expense and capital costs required to be incurred to bring all K-12 classes below the newly mandated class size caps in alignment with the timeline in the law.

Executive Summary

- In FY 2025 (SY 2024-25), NYCPS invested \$182M to support class size reduction.
- In FY 2026 (SY 2025-26), NYCPS expects to spend an additional ~ \$458 million for class size reduction. More information can be found in the “FY 2026 (SY 2025-26) Estimated Expenditures” section below.
- At full implementation, New York City will be required to incur billions of dollars in additional costs.
 - NYCPS is projecting between \$949.2 million and \$1.7 billion in **additional costs** in teacher salary alone to bring 100% of classes below the caps, not including the new resources previously distributed. This amount, \$949.2 million, assumes a direct allocation to schools based on a central calculation of teacher need, while \$1.7 billion assumes enriching the Fair Student Funding (“FSF”) formula supplemented by direct allocations in some instances.
 - Additionally, the School Construction Authority (“SCA”) is projecting costs of approximately \$18 billion.
 - More information can be found in the “Estimated Costs at Full Implementation” section below.

FY 2026 (SY 2025-26) Estimated Expenditures

Leading up to FY 2026, NYCPS, in partnership with the United Federation of Teachers (“UFT”) and the Council of School Supervisors and Administrators (“CSA”) announced a school-driven approach to funding and planning to ensure that NYCPS could meet the requirement in the law of 60% of classes having class sizes below the mandated caps.

This new framework for class size planning was announced in late October 2024. Under the framework, schools may choose to submit individual “Class Size Reduction Plans” to receive dedicated funding for implementation. Principals were required to consult with their School Leadership Teams to develop individualized plans that were feasible for their school community to achieve and to demonstrate progress towards reducing class sizes for SY2025-26. Schools were also invited to include information about their proposed strategies for increasing compliance in future years, and many did so. Continuing the commitment to collaboration, a joint NYCPS/UFT/CSA committee evaluated these plans, ensuring fair and consistent consideration.

Over 800 schools submitted plans for class size reduction and NYCPS, alongside a joint review committee that included the United Federation of Teachers and the Council for School Supervisors and Administrators, approved additional resources for approximately 750 schools to meet the benchmarks set forth in their plans.

As a direct result of this planning process, NYCPS invested \$458 million for class size reduction in SY2025-26. This investment is in addition to the \$182M funded to schools in SY2024-25 to support class size reduction. This covers the cost of 3,700 teaching positions systemwide, as well as supplemental costs for Assistant Principals, OTPS, teacher coverages, and other costs. This \$458M consists of \$217 million of City tax levy and \$241 million of State Contracts for Excellence funding to support this work.

The breakout of the cost to the system is below:

Figure 1: School costs this year by grade levels served

Grade Level	Number of Schools	Total Cost*
Elementary School	352	\$196,376,012
K-8 School	59	\$32,794,921
K-12 School	1	\$223,858
Middle School	111	\$72,198,732
6-12 School	36	\$21,906,644
High School	187	\$134,453,520
Total Schools Receiving Resources	746	\$457,953,687
<i>*In addition to the total resources allocated, schools were also supported for the cost of experienced Teachers.</i>		

Figure 2: School costs this year by district

Districts	Number of Schools	Total Cost*
01 (Manhattan)	13	\$7,752,707
02	61	\$35,576,907
03	12	\$9,029,967
04	7	\$3,270,585
05	8	\$4,248,505
06	21	\$9,643,512
07 (Bronx)	15	\$6,551,079
08	23	\$10,136,201
09	29	\$13,780,698
10	33	\$18,995,047
11	36	\$20,245,239
12	14	\$6,782,646
13 (Brooklyn)	11	\$7,046,728
14	14	\$5,995,740
15	27	\$15,277,025
16	8	\$3,096,611
17	23	\$10,607,432
18	25	\$12,916,113
19	19	\$8,732,608

20	33	\$22,517,198
21	19	\$16,266,347
22	13	\$10,916,338
23	5	\$1,567,006
24 (Queens)	37	\$33,639,638
25	27	\$17,372,077
26	21	\$18,286,622
27	36	\$20,835,928
28	33	\$23,739,585
29	30	\$17,501,821
30	32	\$26,840,048
31 (Staten Island)	47	\$31,705,051
32 (Brooklyn)	14	\$7,080,678
Total Schools Receiving Resources	746	\$457,953,687
<i>*In addition to the total resources allocated, schools were also supported for the cost of experienced teachers.</i>		

Figure 3: School costs this year by ENI

Economic Need Index of School	Number of Schools	Total Cost
4 - the highest need quartile of schools based on ENI	140	\$68,425,613
3 - the second highest need quartile of schools	164	\$83,167,664
2 - the second lowest need quartile of schools	211	\$135,936,908
1 - the lowest need quartile of schools	231	\$170,423,502
Total Schools Receiving Resources	746	\$457,953,687
<i>*In addition to the total resources allocated, schools were also supported for the cost of experienced Teachers.</i>		

Estimated Costs at Full Implementation

Expense Costs

As noted in our most recent Class Size Reduction Plan, submitted to NYSED in July 2025, NYCPS's most recent prior projection was based on FY 2023 enrollment data and funding levels, which estimated a total cost of \$1.4B - \$1.9B at full compliance as compared to FY 2023 school funding levels. These costs varied based on whether implementation was done through a direct allocation to schools, driven by a central calculation of teacher need (\$1.4 billion) or through enriching FSF to cover the new class sizes and, for a select group of schools with unique needs, providing a supplemental allocation driven by the central calculation of teacher need (\$1.9 billion). While the \$1.4 billion figure represented a much lower cost for implementation, the \$1.9 billion figure helped maintain equity within the system and remains in line with NYCPS's budget allocation methodology for the past two decades.

NYCPS has continued to estimate costs by considering both methods of distribution to schools and has now updated those figures based on preliminary SY 2025-26 (FY 2026) enrollment data and funding levels. NYCPS has also incorporated the substantial progress schools have made in bringing additional classes under the newly mandated caps made in the three years since the previous estimate was published.

Expense Costs Methodology

NYCPS calculates a teacher need for each school, based on the number of students enrolled in classes, the number of new sections of each current subject which would need to be created, and the current teacher headcount at the school. The methodology does not assume a reduction of curricular offerings available to students but considers teachers who are not fully programmed with credit-bearing classes to be underutilized. This model does not take into account other programs at a school; furthermore, additional staffing above what the model projects may be needed to maintain current services. The teacher need analysis accounts for ICT classes as needed and assumes that schools may use sixth period shortage or pro rata coverage to cover partial teacher needs for grades 6-12. For K-5 schools, any cluster teacher needs are rounded up to the nearest teacher. Teacher capacity is expected to be 0.2 teachers per 6-12 class section and 1.2 teachers (accounting for cluster needs and rounded up schoolwide) per K-5 class. As many schools have chosen to prioritize class size with existing resources while others have chosen to prioritize other interventions for their schools, NYCPS is assuming that schools that have spent smaller portions of their budgets on teachers will be able to self-fund some of these costs.

To develop the Fair Student Funding (FSF) model, NYCPS proposes to increase the grade weights for all grades to align to the new contractual costs. The grade weight increase is calculated by assuming that schools retain the existing amount available for non-teacher expenses per full class but using the new statutory class size maximums to determine the value of the new weights. NYCPS then runs the central calculation and supplements FSF for any school found to be unable to meet their teacher needs using the new FSF calculation, generally as a result of excessive breakage at the school level or very high school average teacher salary.

Most, though not all, assumptions in this model are based on 10/31 data. The methodology remains unchanged from the \$1.4-\$1.9 billion estimates included in the last few annual class size reduction plans, though with updated data and reflecting the progress made to date.

Expense Impacts

NYCPS is estimating an additional need between \$949.2 million (via direct allocation) and \$1.7 billion (via FSF) for teacher salary costs in order to bring 100% of classes below the caps. Estimates are based on enrollment and compliance data from 10/31/2025, not including exemptions. These costs are broken out below:

Figure 4: Estimated Expense Cost of Full Implementation by Grade Level

Grade Level	Via Direct Allocation	Via FSF
Elementary Schools	\$ 591,729,013	\$ 834,620,806
K-8 Schools	\$ 129,955,835	\$ 195,086,967

K-12 Schools	\$ 8,003,392	\$ 10,192,272
Middle Schools	\$ 98,571,887	\$ 265,189,842
6-12 Schools	\$ 24,890,824	\$ 72,037,139
High Schools	\$ 96,074,764	\$ 275,713,321
Citywide Total	\$ 949,225,715	\$ 1,652,840,347

Includes fringe benefits such as health, welfare, FICA, and pension.

Figure 5: Estimated Expense Cost of Full Implementation by District

Per student calculations are included as districts are different sizes

District	Via Direct Allocation	Via FSF	Via Direct Allocation (per student)	Via FSF (per student)	Students
01	\$ 11,364,902	\$ 22,615,559	\$ 1,291	\$ 2,570	8,800
02	\$ 64,175,610	\$ 105,704,032	\$ 1,248	\$ 2,055	51,443
03	\$ 23,893,444	\$ 40,077,831	\$ 1,328	\$ 2,227	17,993
04	\$ 7,729,712	\$ 20,119,427	\$ 797	\$ 2,075	9,698
05	\$ 4,964,239	\$ 13,331,482	\$ 718	\$ 1,927	6,918
06	\$ 9,273,081	\$ 33,366,434	\$ 602	\$ 2,165	15,412
07	\$ 4,737,369	\$ 23,071,258	\$ 378	\$ 1,841	12,531
08	\$ 23,081,330	\$ 44,820,295	\$ 1,136	\$ 2,206	20,319
09	\$ 10,638,757	\$ 45,335,079	\$ 489	\$ 2,086	21,737
10	\$ 30,367,552	\$ 76,015,418	\$ 785	\$ 1,966	38,668
11	\$ 36,869,079	\$ 69,177,836	\$ 1,273	\$ 2,388	28,970
12	\$ 10,814,633	\$ 30,767,627	\$ 738	\$ 2,099	14,661
13	\$ 26,830,299	\$ 36,507,506	\$ 1,500	\$ 2,041	17,884
14	\$ 15,678,202	\$ 30,801,178	\$ 1,125	\$ 2,211	13,933
15	\$ 31,375,843	\$ 58,515,968	\$ 1,296	\$ 2,416	24,217
16	\$ 6,568,101	\$ 10,966,063	\$ 1,488	\$ 2,484	4,414
17	\$ 10,394,428	\$ 29,866,664	\$ 673	\$ 1,933	15,453
18	\$ 6,317,617	\$ 19,456,169	\$ 631	\$ 1,943	10,015
19	\$ 19,310,100	\$ 38,915,953	\$ 1,125	\$ 2,267	17,164
20	\$ 47,629,242	\$ 87,429,516	\$ 1,118	\$ 2,052	42,600
21	\$ 49,832,436	\$ 69,012,045	\$ 1,547	\$ 2,142	32,214
22	\$ 48,943,732	\$ 66,464,276	\$ 1,707	\$ 2,318	28,674
23	\$ 7,376,010	\$ 16,027,203	\$ 1,119	\$ 2,432	6,589
24	\$ 47,140,514	\$ 93,960,115	\$ 1,057	\$ 2,107	44,590
25	\$ 46,760,051	\$ 71,535,071	\$ 1,482	\$ 2,267	31,553
26	\$ 49,122,334	\$ 63,119,364	\$ 1,752	\$ 2,251	28,042
27	\$ 62,545,243	\$ 88,770,752	\$ 1,708	\$ 2,424	36,620
28	\$ 58,098,280	\$ 78,043,967	\$ 1,673	\$ 2,248	34,721
29	\$ 34,587,619	\$ 50,148,239	\$ 1,663	\$ 2,412	20,793
30	\$ 40,758,950	\$ 69,122,784	\$ 1,244	\$ 2,109	32,768
31	\$ 98,781,497	\$ 134,458,397	\$ 1,825	\$ 2,485	54,117
32	\$ 3,265,508	\$ 15,316,840	\$ 421	\$ 1,973	7,762
All	\$ 949,225,715	\$ 1,652,840,347	\$ 1,263	\$ 2,200	751,273

Includes fringe benefits such as health, welfare, FICA and pension.

Figure 6: Estimated Expense Cost of Full Implementation by ENI

Economic Need Index of School	Via Direct Allocation	Via FSF
4 - the highest need quartile of schools based on ENI	\$ 76,434,703	\$ 241,172,439
3 - the second highest need quartile of schools	\$ 130,653,667	\$ 324,167,246
2 - the second lowest need quartile of schools	\$ 249,423,112	\$ 455,221,049
1 - the lowest need quartile of schools*	\$ 492,714,232	\$ 632,279,614
Citywide Total	\$ 949,225,715	\$ 1,652,840,347

Includes fringe benefits such as health, welfare, FICA and pension.

Capital Costs

SCA is now projecting costs of approximately \$18 billion. This estimate takes into account up-to-date enrollment and space data and ensures a more nuanced approach to reducing class sizes, in line with implementation approaches NYCPS has undertaken in the past two years.

This projection includes costs for smaller-scale room conversions in schools that need a few more classrooms to become fully compliant, as well as estimates for additions/annexes, where feasible, and new school buildings in areas near multiple schools that need additional classrooms.

Note that the actual, final capital cost is dependent on a range of factors, including how schools are grouped based on classroom need to determine location of new capacity projects and the availability of appropriate real estate that is centrally located to support reduction in multiple schools. Further, parent choice is always a factor in school enrollment, so planned and sited projects may not always result in direct alleviation of identified schools.

Conclusion

Because of the significant progress that NYCPS has made, even in the least compliant districts, NYCPS does not believe that a pause is necessary.