

NYC Makes More Equitable Class Size Funding Decisions but Faces Long-Term Equity Risks

Background

In 2022, New York State enacted a law requiring New York City Public Schools to reduce class sizes over a five-year implementation period, with full compliance required by the 2027–28 school year. The law establishes maximum class sizes of:

- K–3: 20 students
- Grades 4–8: 23 students
- High school: 25 students

The law also requires the City to prioritize implementation in higher-poverty schools where possible and allows limited exemptions in certain circumstances. However, the legislation did not provide dedicated implementation funding, leaving New York City responsible for financing the additional teachers and classroom space needed.

EdTrust-New York's Longstanding Equity Concerns

EdTrust-New York has consistently supported the goal of smaller class sizes while raising concerns that implementation should be driven by equity, evidence, and fiscal sustainability.

- **2022:** Following passage of the law our team served on the New York City Class Size Working Group, advocating for an implementation strategy that prioritized students with the greatest needs.
- **2023:** We declined to endorse the Working Group's final recommendations, citing concerns that the proposed implementation failed to adequately address equity, workforce, and facilities challenges. We raised the concern that, without significant changes, implementation risked harming the very students the law intended to benefit.
- **2025:** EdTrust-New York [urged the City and State to pause implementation](#) and revise the timeline, warning that the next phase of implementation would disproportionately direct new funding and teachers toward more affluent schools while increasing fiscal pressures. Our analysis, based on the city's progress at just 60% implementation, reveals alarming inequities. Schools serving the highest shares of Black and Latinx students received \$200 less per student, a 41% gap, compared to schools serving the fewest. Similarly, schools serving the highest shares of low-income students received \$150 less per student, a 26% gap, than those serving the fewest. These disparities demonstrated that getting to increased compliance with the law



meant that 2025-2026 school year funding for class size reduction was failing to direct resources to the students and schools with the greatest need.

- **2026:** EdTrust-New York welcomed legislative changes that slowed implementation but continues to advocate for reforms that ensure the remaining investments maximize educational opportunity for students with the greatest needs.

Implementation to Date

New York City has made meaningful progress toward implementation.

- In the 2025-2026 school year, approximately 64% of classes met the new class size requirements.
- That year the City hired roughly 3,700 additional teachers and invested over \$400 million dollars toward implementation.
- Recognizing the significant fiscal, workforce, and facilities challenges associated with the original implementation schedule, and in response to [organizations like ours calling for a pause](#), the Legislature amended the law during the 2026 legislative session to provide additional flexibility while maintaining the law's long-term goals.

The amendments:

- Extended full implementation by two years, from September 2028 to September 2030;
- Reduced the 2026–27 compliance target from 80% to 70%; and
- Established a revised implementation schedule of:
 - 70% compliance (2026–27)
 - 80% compliance (2027–28)
 - 90% compliance (2028–29)
 - 100% compliance (2029–30)

These changes reflect growing recognition that achieving the law's goals requires additional time to address teacher shortages, classroom capacity, and long-term funding needs.

New FY27 Analysis: Equity Has Improved, But Long-Term Challenges Remain

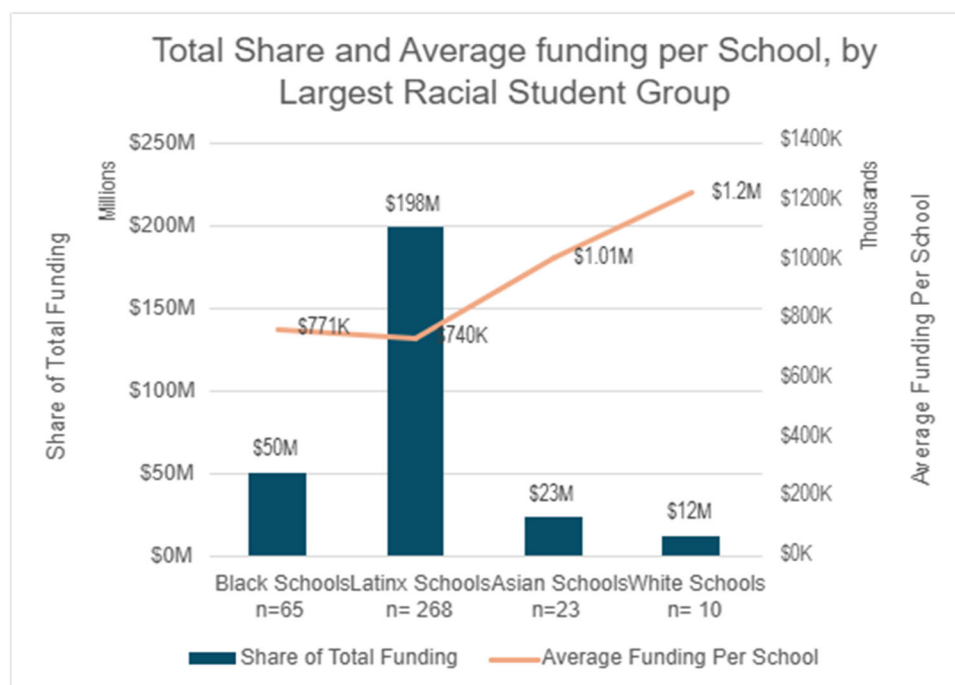
Ed Trust-New York's analysis of the [FY27 School Allocation Memorandum \(SAM\)](#) finds that New York City has made real progress in steering class-size funding toward the students and schools with the greatest need.



The per student racial spending gap reversed direction.

Last year, schools serving the most Black and Latinx students received \$200 less per student—a 41% gap and the highest poverty schools received \$150 less per student—a 26% gap FY27¹. This year:

- Schools with the highest concentrated poverty now receive the largest share of total funding in the city. Schools where more than 75% of students are from low-income backgrounds will receive about 57% of all funding—approximately \$163 million of the \$284 million allocation and about \$160 more per student than schools with lower poverty rates²³⁴.
- Schools where Latinx students are the largest racial group received the largest total share of the allocation—about \$198 million, while schools where Black students are the largest group received the highest per-student allocation: \$2,018 per student, compared with \$1,481 for Latinx, \$1,137 Asian and \$1,075 for White plurality schools.



The bars show total funding allocated to schools by the racial plurality of their student enrollment, while the line shows the average funding received per school. Latinx-plurality schools received the largest total allocation, while White-plurality schools received the highest average funding per school.

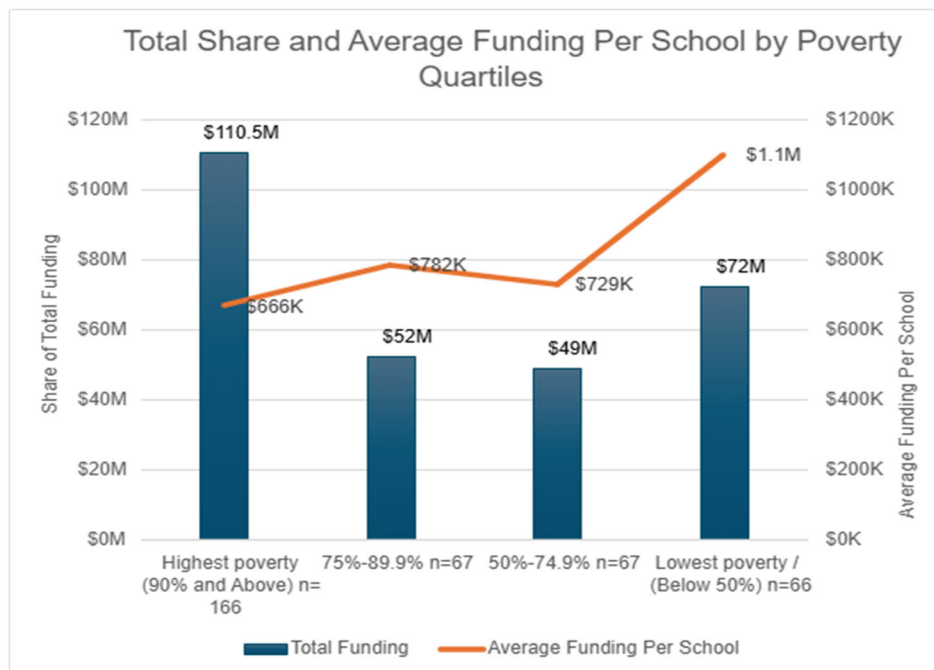


The disparity—per school funding still favors larger, lower need schools.

Schools serving larger numbers of White and Asian students continue to receive substantially more funding overall, mainly because they are larger schools requiring more classrooms and teachers. Per school totals track enrollment size, not need:

School Racial Plurality	# of Schools Funded
Black	64
Latinx	268
Asian	23
White	10

- Schools where White and Asian students are the largest single group will receive \$1.07 million per school on average, vs. \$746k for schools where Black and Latinx students are the largest single group—despite those schools receiving more per student.
- Schools with the lowest concentration of poverty will receive over \$1 million per school on average; the schools with the highest concentration of poverty receive the least, \$665K.
- A smaller high-needs school can still end up with less total funding than a larger low-needs school, even in a year the allocation itself became more equitable at the amount of funding per student.



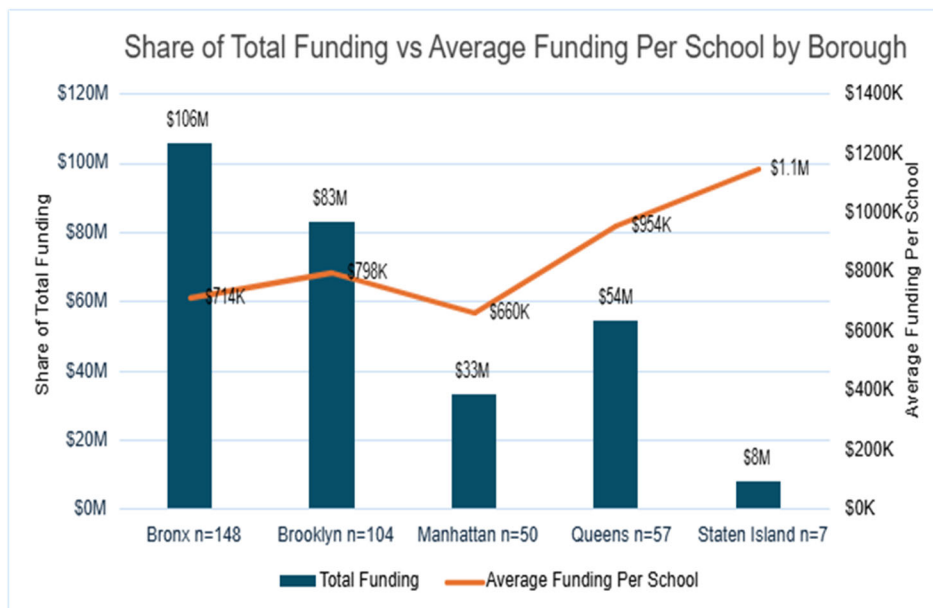
Bars show the total funding allocated to schools in each poverty quartile, while the line shows the average allocation per school. Schools with the highest poverty rates received the highest average allocation per school (1.1million) but the lowest average amount per school (\$666,000).



Mixed progress by Borough—per student funding less improvement than expected, while per school funding disparities persist.

- The Bronx (40%) and Brooklyn (29%) received the largest shares of total funding, Manhattan and Staten Island received the highest amount of funding per student, at approximately \$1,650.
- Staten Island and Queens led in per school funding (both near or over \$1 million average per school). However, Queens (\$1288) received the least per student followed by Brooklyn (\$1508) and the Bronx (\$1543).

Poverty Quartile	# of Schools Funded
Highest Poverty (90% and above)	166
75%-89.9%	66
50%-74.9%	67
Lowest Poverty (50% and below)	66



Borough	# of Schools Funded
Bronx	148
Brooklyn	104
Manhattan	50
Queens	57
Staten Island	7

Bars show the total funding allocated to schools in each borough, while the line shows the average allocation per funded school. Bronx schools received the largest total allocation (106M), while Staten Island schools received the highest average allocation per school (1.1million), based on only seven funded schools.

In sum, while per student equity is working as intended for the 2026-2027 school year, per school totals are not. Per school totals still reflect how many students a school serves, rather than their concentrated need. When considering equitable distribution, it is important to compare both measures to better understand structural gaps.



Remaining Challenges

EdTrust-New York raised concerns early. Policymakers responded by slowing the timeline and improving how funding is allocated. Our new analysis shows meaningful progress. Now the challenge is ensuring the remaining—and most expensive—phase of implementation continues to prioritize equity and evidence.

Future implementation will create increasing equity tradeoffs

The City's FY27 funding decisions demonstrate that implementation can be carried out equitably in the near term. However, as compliance rates increase, the remaining schools needing the greatest reductions in class size are increasingly in wealthier schools with historically larger class sizes. Reaching 100% compliance will therefore require directing substantially more funding to high-achieving schools serving comparatively fewer Black, Latinx, and low-income students. As the [2026 Urban Institute's research brief](#) notes, "Because the schools serving already high-achieving students are farthest from the compliance goals, they will receive more funding simply because they have maintained larger classes historically. Meanwhile, schools serving struggling students—whom research suggests benefit most from smaller classes—have already achieved higher compliance rates and will receive fewer resources." This structural challenge is embedded in the current design of the law and raises significant concerns about the equity tradeoffs of getting to 100% compliance with the law as current designed.

The greatest future costs occur where evidence of impact is weakest

The remaining implementation challenges are concentrated in high schools, where research shows much weaker academic benefits from smaller classes than in the early grades. According to the Urban Institute, high schools account for nearly 60% of all classes in New York City. Because high schools offer significantly more course sections and electives, they require substantially more teachers and classroom space, making this phase of implementation the most expensive while producing the weakest evidence of academic benefit. The [City's FY27 Class Size Reduction Plan](#) acknowledges that secondary implementation requires a fundamentally different approach than elementary schools. Rather than relying primarily on additional classroom construction, NYC Public Schools has established a separate "High School Policy and Programming" strategy for 74 high schools that focuses on revising master schedules, rethinking school programming, optimizing the use of existing space, reallocating teaching resources, and potentially developing new policy approaches to support compliance. Together, these realities underscore that the final phase of implementation will require more complex and costly interventions while operating in the grade span where the research base supporting class size reduction is least conclusive.



The remaining barriers are increasingly related to facilities and system planning, as well as teacher hiring

As implementation progresses, reducing class size will require far more than hiring additional teachers. The City's FY27 Class Size Reduction Plan identifies more than 600 schools with classroom space constraints and acknowledges that future compliance will depend on significant capital investments alongside a range of operational strategies, including school mergers, enrollment adjustments, classroom reconfigurations, scheduling changes, and policy modifications for secondary schools. Rather than applying a one-size-fits-all approach, NYCPS has developed individualized implementation pathways for hundreds of schools and expanded the City's capital plan—adding \$1.5 billion—to create additional classroom capacity. These realities underscore that the remaining phase of implementation is increasingly constrained by facilities and long-term system planning. Successfully implementing the law will require sustained investments in school infrastructure and thoughtful planning as well as continued investments in hiring additional teachers. As the City's Class Size Reduction Plan notes, schools reported needing at least 6,000 additional teachers within their current buildings, and that additional teachers will be needed as new space comes online.

Recommendations

EdTrust-New York recommends that policymakers use the extended implementation timeline to:

- **Develop legislative and regulatory adjustments to the law that prevent unintended inequities**, ensuring future investments continue to prioritize schools serving the highest concentrations of Black, Latinx, multilingual, and low-income students rather than being driven solely by 100% compliance targets.
- **Align high school implementation with the available research** by considering implementation in core academic classes, making adjustments to the law to exempt or set different class size targets for non-core academic classes, and evaluate whether the current statutory class size cap for grades 9–12 reflects the strongest evidence on improving student outcomes.
- **Develop a comprehensive long-term capital and facilities strategy** that addresses classroom capacity, school construction, and space constraints, recognizing that the remaining barriers to implementation are increasingly driven by infrastructure rather than teacher hiring alone. Equity must be considered in this plan to ensure the plans to build more schools and classrooms do not disproportionately drive funding to the lowest needs communities in the city.
- **Measure implementation by both compliance and educational impact**, regularly evaluating whether investments are improving student outcomes and advancing



educational equity—not simply increasing the percentage of classes meeting statutory caps.

Conclusion

EdTrust-New York has consistently supported the goal of smaller classes. Our concern has never been the objective of the law, but whether its implementation will produce the greatest benefit for the students who need it most.

The Legislature's decision to slow implementation creates an important opportunity to ensure that the remaining investments are guided by research, equity, and fiscal responsibility. The goal should not simply be compliance—it should be ensuring that billions of public dollars improve educational outcomes and expand opportunity for New York City's highest-need students.

¹ Prior-year findings are based on [EdTrust-New York's FY26 class-size funding analysis](#) using comparable demographic categories and calculations.

² Per student funding equals total funding divided by total enrollment. Average per-school funding equals total funding divided by the number of funded schools. Figures are rounded.

³ EdTrust-New York matched FY27 school-level class-size allocations with 2024–25 NYC Public Schools demographic data using each school's DBN. Enrollment reflects the October 31 audited register; poverty and other student data are as of March 7, 2025.

⁴ Poverty categories are based on the share of students experiencing poverty: below 50%, 50%–74.9%, 75%–89.9%, and 90% or more. These are fixed ranges, not statistical quartiles.

