

**LIZ KRUEGER  
SENATOR, 28<sup>TH</sup> DISTRICT**

ALBANY OFFICE  
STATE CAPITOL BUILDING  
ROOM 416  
ALBANY, NEW YORK 12247  
(518) 455-2297  
FAX (518) 426-6874

DISTRICT OFFICE  
211 EAST 43<sup>RD</sup> STREET, STE. 1201  
NEW YORK, NEW YORK 10017  
(212) 490-9535  
FAX (212) 499-2558.2556

E-MAIL  
LKRUEGER@NYSENATE.GOV

**NEW YORK  
STATE  
SENATE**  
ALBANY, NEW YORK 12247



**CHAIR, MAJORITY MEMBER**  
FINANCE  
**COMMITTEES:**  
RULES  
BUDGET & REVENUE

July 13, 2022

Hon. Eric Adams  
Mayor  
City Hall  
New York, NY 10007

Hon. Adrienne Adams  
City Council Speaker  
City Hall  
New York, NY 10007

Dear Mayor Adams and Speaker Adams:

I am writing to express my serious concerns about the budget reductions public schools are facing for the upcoming school year, as well as the lack of transparency about why this is taking place and how much school budgets are actually being cut. The budget cuts schools are being forced to absorb are inexcusable when students, their families, and school staff are still struggling to recover from the trauma and learning losses caused by the pandemic. At a time when the Department of Education (DOE) has received unprecedented levels of city and state funding and has billions of dollars in unspent stimulus funds, our schools should be providing enhanced academic and social-emotional support services rather than cutting vital programming and increasing class sizes.

In recent weeks, I have heard from hundreds of distraught parents across my district who have learned that the public schools their children attend are losing hundreds of thousands, or in many cases millions, of dollars of funding for the upcoming school year. Principals have informed families that as a result of these funding reductions, they have no choice but to excess dedicated teachers, social workers, guidance counselors, and/or paraprofessionals who are crucial members of their school communities. In many schools, principals are also having to eliminate art, music, sports, science labs, and/or afterschool programming, substantially increase class sizes, and reduce mental health and academic support services for students. Many of the families who contacted my office have stated they are considering enrolling their

children in private or parochial schools—or leaving New York City altogether—if class sizes increase and enrichment and support services are curtailed.

While the City’s Preliminary FY2023 budget indicated that up to \$215 million could be cut from school funding due to declining student enrollment (\$83 million of which would come out of fringe benefits rather than school budgets), analyses from the City Comptroller and education advocates indicate schools are actually facing drastically larger budget cuts. In testimony to the City Council on June 24<sup>th</sup>, Comptroller Brad Lander stated that the net decline in Fair Student Funding (FSF) is \$376 million rather than the \$132 million forecast, that 1,166 public schools (approximately 77%) are receiving FSF cuts totaling \$469 million, and the average FSF cut is \$402,456 (which on average is 8% of individual school budgets). Cuts of this size would be difficult for schools to handle during normal times without impacting the essential education students receive. However, when so many students need additional academic and social-emotional support services, funding reductions of this size are likely to destabilize schools and convince families to leave the public school system.

Serious questions have also been raised by school principals, parents, City Councilmembers, and Comptroller Lander about the accuracy of enrollment projections for individual schools that are the basis for the majority of school funding. In many cases, school leaders have reported that the DOE’s enrollment projections undercount their actual student populations by dozens or even hundreds of students. While I understand that school budgets will be adjusted based on actual fall enrollment, it will be too late at that point for most schools to rehire the staff they have lost and restart eliminated programming. The DOE’s failure to make individual school projections public, along with the lack of transparency on how enrollment projections are made, has only compounded parent anger and undermined public trust.

Even more disturbing, the FSF cuts are only a portion of the overall reductions the majority of schools are seeing in their budgets for the upcoming school year. An analysis by Class Size Matters of school-based Galaxy budgets posted on the DOE’s website on June 13<sup>th</sup> found that school budgets have been reduced by a total of \$1.7 billion, 98% of schools have lost funding, and the average cut per school was \$1.1 million (or 13.9% of the average budget).<sup>1</sup> The Class Size Matter data indicate that there are multiple schools in my Senate District facing Galaxy budget reductions of 25% or more from FY2022 to FY2023. While DOE officials have stated that additional funds may be added later in the year, it is my understanding that this will generally be funding for special purposes rather than staffing. Even if additional staffing resources are provided, it will be too late for schools to bring back the staff they are forced to excess. Based on the information my office has received from parents, the Galaxy budgets reflect the numbers principals are using to plan their staffing and other programming for next year. For example, I have heard from many distraught P.S. 116 parents who have been informed by the school’s long-time, highly respected principal that the school’s budget has been reduced by

---

<sup>1</sup> Class Size Matters, *Galaxy Budget Cuts To Schools At More Than \$1.7B Far Larger Than Reported*, posted June 19, 2022, accessed online at <https://classsizematters.org/galaxy-budget-cuts-to-schools-at-more-than-1-7b-far-larger-than-reported/>.

\$1.58 million for the coming school year (25% of the budget) which is the amount reflected in the data from Class Size Matters and substantially larger than the school's \$482,684 FSF cut. The principal has informed parents that she has no choice but to excess six grade school teachers, combine classes, decrease music, science, and arts programming next year, and reduce funding for math, reading, and psychological support services.

The cuts to school budgets are particularly difficult to justify in a year when the DOE received unprecedented levels of city and state funding and has over \$4.3 billion in unspent federal stimulus funds. State foundation aid to New York City increased by over \$309 million to over \$8.94 billion in FY 2023, and will finally be fully phased in during the next fiscal year to comply with the settlement of the Campaign for Fiscal Equity lawsuit. Overall state education aid to the DOE increased by \$645 million to over \$13.45 billion, and city funding to the DOE increased by over \$739 million to over \$20.1 billion. While federal education stimulus funding decreased this year and only lasts through FY2024, New York City still has at least \$4.3 billion in federal stimulus funds to spend over the next fiscal years. According to the City Comptroller's testimony at the June 24<sup>th</sup> City Council hearing, offsetting the entire \$469 million FSF cut to schools would require only 20% of the stimulus funds the DOE is planning to spend this year. Between the remaining stimulus funds and the increased city and state aid, the DOE must be able to hold school budgets harmless this fall.

The decision not to fund school budgets at FY2022 levels was clearly a policy choice rather than one made out of fiscal necessity. Funding for charter schools, 3K, Summer Rising, gifted and talented programs, IT support and devices, contracted nurses, special education, pupil transportation, and the new "Mosaic" curriculum all increased dramatically in FY2023.<sup>2</sup> Many of these increases are being paid for with hundreds of millions of dollars in stimulus money.<sup>3</sup> While all are important programming areas, providing funding directly to schools still reeling from the pandemic should be the DOE's top priority. Given the billions in unspent federal aid dollars and increased city and state funds, it is unclear why any cuts are needed this year. Nonetheless, if cuts must be made to account for the reduction in current stimulus aid, the last place the DOE should look for savings is school budgets.

The reduction in FY2023 school funding was justified by the decline in public school enrollment both citywide and at many individual schools. Although enrollment has decreased citywide, the academic and social-emotional needs of the remaining student population have increased exponentially after living through the loss, trauma, insecurity, and disruptions of the last two and a half years. The increased demands on schools certainly justify using stimulus dollars to

---

<sup>2</sup> NYC Council Finance Division, *Report to the Committee on Finance and the Committee on Education on the Fiscal 2023 Executive Plan Department of Education*, May 10, 2022, accessed online at <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/05/DOE-SCA-1.pdf>.

<sup>3</sup> *Testimony of the NYC Department of Education On School Budgets Before the NYC Council Committees on Education and Oversight & Investigations*, June 24, 2022, accessed online at: <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=5701567&GUID=3CD3DC7D-8CC3-42FE-8796-6677BBE3ECAC&Options=&Search=>.

hold schools harmless this year for any enrollment reductions, as was done by the prior administration during the pandemic.

I recognize that school funding may need to be adjusted in future years in response to the overall enrollment decline and the elimination of federal stimulus funding after FY2024. However, this should only be considered once public school communities have had an opportunity to recover from the most difficult two and a half years our schools have ever endured. Time must be permitted for substantive dialogues about education funding priorities and options with school leaders, families, educators, and elected officials representing New York City at all levels. Much more transparent real-time data must also be provided on stimulus spending to date, whether there are unspent accruals of stimulus funds that can be repurposed, plans for unspent stimulus funds, school enrollment projections, how the increased City and State funds are being utilized by the DOE, how much school budgets have actually been reduced this year, and the DOE's central budget. Additionally, as education advocates, City Councilmembers, and the City Comptroller have emphasized, it is long past time to fundamentally rethink the FSF formula to better reflect the current needs of students and school communities.

As the Chair of the New York State Senate Finance Committee, I am all too aware that extraordinarily difficult budget decisions must be made each year and government cannot fund all worthwhile programs. However, I also know that budgets reflect policy and political priorities and every effort should be made to protect funding that responds to the most pressing needs of vulnerable New Yorkers. After the learning losses and upheaval of last three school years, it is more important than ever that our public schools receive the support they need.

Sincerely,

A handwritten signature in black ink that reads "Liz Krueger". The signature is fluid and cursive, with the first letters of "Liz" and "Krueger" being capitalized and prominent.

Liz Krueger  
State Senator

cc: David Banks, Chancellor, NYC Department of Education