Variation in Class Size Compliance by School Characteristics May Complicate New York City's Landmark Investment

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March 2026

In September 2022, New York governor Kathy Hochul signed landmark legislation that requires New York City public schools to reduce class sizes across all grade levels. The law mandates that by the start of the 2027–28 school year, class sizes do not exceed

- 20 students in grades K–3,
- 23 students in grades 4–8, and
- 25 students in high school classes.

Additionally, the law sets intermediate benchmarks to track progress: 40 percent compliance by 2024–25, 60 percent by 2025–26, 80 percent by 2026–27, and 100 percent by 2027–28. At the start of 2025–26, the city had 64 percent overall compliance out of the 140,013 nonexempt classes. This percentage excludes the 10,535 classes exempt from compliance, most often because of space constraints.

This brief examines implementation progress, analyzing compliance rates by school level, geographic location, student need, and student achievement. We also assess how $457.9 million in fiscal year 2026 class size reduction funding was distributed across schools, and we identify which schools received monetary support to achieve compliance.

Unlike previous analyses that focus on aggregate compliance rates, we reveal how implementation challenges and funding flows vary systematically by school characteristics, with particular attention to two major issues: (1) the paradox that the largest compliance investments need to go to schools with the least economic need and the highest-performing students and (2) the disconnect between the greatest implementation issues occurring in high schools and that high school grades have weaker evidence that class size reductions improve outcomes.

Our analysis reveals substantial progress toward class size reductions in high-need schools, but continuing compliance gaps raise questions about the resources required for full compliance and the feasibility of meeting statutory deadlines.

Background

Before the class size reduction law, class size limits were 25 students in kindergarten, 32 in elementary grades, 33 in intermediate schools, and 34 in high schools.

New York City began implementing class size reductions in 2023–24 and met the initial 40 percent benchmark by 2024–25 as school leaders used existing classroom space flexibility and the district reallocation of funds to immediately hire teachers. In 2025–26, 122 schools have received exemptions to class size limits, based primarily on documented space constraints and other operational barriers, such as programmatic requirements or capital

construction timelines. Exemptions are not permanent. They must be renegotiated each year and approved as part of the city's annual class size reduction plan submitted to the State Education Department and approved by the chancellor and the presidents of the United Federation of Teachers and the Council of School Supervisors and Administrators (NYCPS 2025a). Most exemptions are tied to insufficient physical capacity, often categorized under capital plan space constraint codes, meaning schools lack available classrooms to add sections without new construction, leasing, or reconfiguration.

For 2025–26, schools were invited to submit proposals by December 2024 to request funding and to outline compliance plans.[1] A joint committee of teachers, school leaders, and union administrators, along with New York City Public Schools (NYCPS), evaluated these plans and selected schools to receive funding to reduce class sizes (NYCPS 2025b). More than 800 schools submitted applications, and 746 received approval to hire additional teachers and increase building capacity. New York City invested $182 million in 2024–25 and $458 million in 2025–26. City estimates suggest that to reach full compliance, an additional $949 million to $1.7 billion is needed, which does not include the estimated $18.0 billion to $26.8 billion in capital costs for school construction.[2]

What Does the Evidence on Class Size Say?

Causal, rather than correlational, research on class size reduction, especially in the United States, is sparse, finding negligible effects in most studies (Opatrny et al. 2025). The research that does exist is strongest at the elementary level, with comparatively limited and less conclusive evidence for middle and high schools (Whitehurst and Chingos 2011; Chingos 2012).

The Tennessee STAR experiment—the gold standard for class size research that focused on early elementary grades—has found minimal or mixed effects resulting from class size reductions (Achilles 2012). The most rigorous studies finding positive effects generally show the largest gains in early grades, particularly for students of color and students eligible for free and reduced-price lunch (Hanover Research 2015). Shin and Chung (2009) also conclude that class size reductions are more effective in elementary schools. Several states have implemented class size mandates with positive results in early grades. Reductions in Texas and California elementary schools were associated with increased academic achievement (Rivkin et al. 2005; Sims 2008).

But evidence at the high school level remains limited. Rice (1999) did find that smaller classes influenced instructional strategies in high school math and science and affected how much classroom time was allocated to maintaining order. Additionally, California's experience with rapid class size reduction in the 1990s demonstrates potential pitfalls. The state's quick implementation led to hiring many inexperienced teachers, particularly in high-poverty schools, potentially blunting the intended effects of reducing class sizes (Jepsen and Rivkin 2009).

Class Size Compliance Varies Substantially by School Characteristics

Overall class size compliance stands at 64 percent across all New York City public schools, but this rate masks substantial variation. To measure a school's economic need, we use the Economic Need Index (ENI), which reflects the share of students who are in temporary housing, students who are eligible for public assistance, or recently arrived English learners. We divide schools into quartiles based on school ENI, where the lowest ENI quartile has a mean ENI of 0.51 and the highest quartile of need has a mean ENI of 0.96, so although an ENI score of 0.51 is not what one might think of as "advantaged," schools with this score are advantaged in this context relative to their higher-ENI-quartile counterparts.

Geography and Class Size Compliance

Our analysis shows that compliance varies substantially across New York City's five boroughs (table 1). The Bronx leads at 70.9 percent, while also having the highest average student need (with an ENI of 0.918). Staten Island has the lowest compliance rate (50.2 percent) paired with the lowest need (ENI of 0.652). Brooklyn and Queens together serve nearly half the city's students and are on track, with compliance rates of 65.3 and 58.1 percent, respectively.

TABLE 1

Class Size Compliance, by Borough

Borough	Schools	Students	Nonexempt classes	Compliance	Mean ENI
Bronx	349	146,035	27,122	70.9%	0.918
Manhattan	287	119,900	24,421	68.9%	0.730
Brooklyn	469	237,540	39,435	65.3%	0.807
Queens	348	244,945	40,725	58.1%	0.725
Staten Island	74	56,723	8,310	50.2%	0.652

Source: New York City Public Schools administrative data, 2024–25.
Note: ENI = Economic Need Index.

Economic Need and Class Size Compliance

In a continuation of class size patterns before the law's implementation, schools serving students with the greatest economic need show higher compliance rates than schools with less need (table 2). Schools in the highest quartile of ENI achieve 77.7 percent compliance—25 percentage points higher than the 52.2 percent rate in lowest-need schools. This gap is in the expected direction, as schools with higher needs had lower average class sizes to start, and the law contains language prioritizing "schools serving populations with higher poverty levels."

TABLE 2

Class Size Compliance, by ENI Quartile

ENI quartile	Schools	Students	Nonexempt classes	Compliance
1 (lowest need)	382	273,253	41,558	52.2%
2	382	232,663	41,988	62.9%
3	382	169,754	31,751	70.4%
4 (highest need)	381	129,473	24,716	77.7%
All schools	**1,527**	**805,143**	**140,013**	**64.0%**

Source: New York City Public Schools administrative data, 2024–25.
Notes: ENI = Economic Need Index. The ENI is a composite measure ranging from 0 to 1, reflecting the proportion of students in temporary housing, students eligible for public assistance, or recently arrived English learners.

We further explore school-level compliance rates within ENI quartiles and find considerable variation (table 3). Schools in the lowest ENI quartile are more likely to have compliance rates below 50 percent compared with schools in the other quartiles. Sixteen percent of schools in the lowest ENI quartile have compliance rates less than 25 percent, compared with 5.8 percent of all schools. Getting the lowest-ENI-quartile schools to full compliance would take considerably more effort and resources than the other ENI quartiles, but the law assesses total classroom compliance across the district, rather than school-level compliance rates.

TABLE 3

Share of Schools Within Each ENI Quartile, by School-Level Compliance Rate

	Compliance Rate					
ENI quartile	**0–24%**	**25–49%**	**50–74%**	**75–99%**	**100%**	**Schools**
1 (lowest need)	16.0%	23.0%	23.8%	19.4%	17.5%	382
2	4.5%	16.5%	34.3%	29.6%	15.2%	382
3	2.4%	11.5%	26.4%	44.2%	15.4%	382
4 (highest need)	0.5%	7.6%	25.7%	51.4%	14.7%	381
All schools	**5.8%**	**14.7%**	**27.6%**	**36.1%**	**15.7%**	**1,527**

Source: New York City Public Schools administrative data, 2024–25.

Notes: ENI = Economic Need Index. Compliance rates exclude exempt classes. ENI is a composite measure ranging from 0 to 1, reflecting the proportion of students in temporary housing, students eligible for public assistance, or recently arrived English language learners.

School need can also be categorized by weighting the quartiles for analysis such that each quartile has about the same number of *students* as opposed to *schools*. The school compliance by student-weighted ENI quartile can be found in appendix table A.1. The broad pattern of the lowest-need schools having lower compliance rates and higher-need schools having higher compliance rates holds.

In this student-weighted analysis, schools with low ENI scores (low-need schools) serve economically disadvantaged students, just as schools with lower average achievement contain high-achieving students. Additionally, these schools tend to be larger, so although their ENI is relatively low, the number of economically disadvantaged students could be considerable.

In the remainder of the brief, we show unweighted, school-level ENI quartiles, but additional student-weighted results can be found in the appendix. Given that the way the district has approached compliance is to fund schools to reduce class sizes, we use schools as the unit of analysis, understanding that the law's compliance metric is a district-wide proportion of classes with enrollment under the statutory cap.

Test Score Performance and Funding

Schools with the lowest compliance rates (i.e., schools with the most classes still above the size caps) demonstrate substantially higher student achievement on standardized tests. Conversely, schools already meeting size caps serve student populations with lower average test performance. We focus on prior-year achievement, as it would be the data available to the district when making decisions about investment in class size compliance.

Schools in the lowest compliance quartile (averaging 34.8 percent compliance) demonstrate 55.3 percent English language arts (ELA) proficiency and 60.6 percent math proficiency (table 4). In contrast, schools in the highest compliance quartile (averaging 98.4 percent compliance) show only 44.1 percent ELA proficiency and 48.4 percent math proficiency. This represents an 11.2 percentage-point gap in ELA and a 12.2 percentage-point gap in math, with higher-performing students concentrated in schools requiring the most class size reductions.

TABLE 4

Compliance and Proficiency Rates, by ENI Quartile

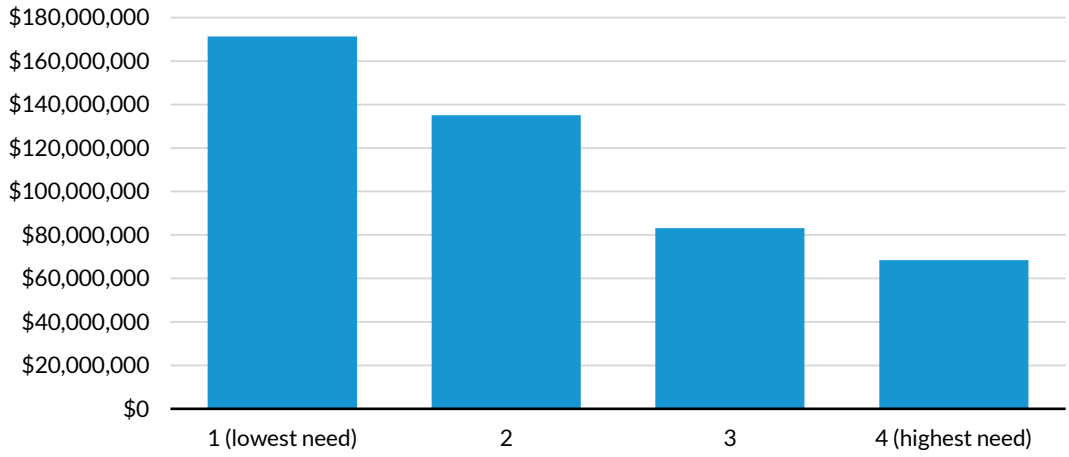
ENI quartile	Average compliance rate (%)	Average ELA proficiency (%)	Average math proficiency (%)
1 (lowest need)	34.8%	55.3%	60.6%
2	66.1%	45.7%	50.4%
3	84.5%	41.4%	45.3%
4 (highest need)	98.4%	44.1%	48.4%

Source: New York City Public Schools administrative data, 2024–25.
Notes: ELA = English language arts; ENI = Economic Need Index. Compliance rates exclude exempt classes. ENI is a composite measure ranging from 0 to 1, reflecting the proportion of students in temporary housing, students eligible for public assistance, or recently arrived English learners.

Figure 1 shows the total amount of funding received by ENI quartile. The lowest-need ENI quartile received $171 million ($627 per pupil among all schools in the lowest ENI quartile) compared with $68 million ($528 per pupil among all schools in the highest ENI quartile) in the highest-need ENI quartile, meaning a significant sum of funding has already gone to relatively low-need schools with relatively high-achieving students.

FIGURE 1

Total Funding, by ENI Quartile



Source: New York City Public Schools administrative data. Compliance data are from 2024–25. Academic achievement data are from 2023–24.
Notes: ENI = Economic Need Index. Average per pupil funding among all schools in per ENI quartile is as follows: Q1 = $627; Q2 = $581; Q3 = $490; and Q4 = $528.

The low compliance in low-ENI schools raises concerns about how New York City Public Schools can meet their compliance targets. These schools serve 273,253 students, the most of any ENI quartile, and have roughly 20,000 classes that do not meet statutory caps. As compliance targets increase, these schools will need to make substantial progress for New York City to stay on track. These schools are also more likely to have exemptions based on space constraints, which means that meeting class size targets will require not only hiring teachers but also capital investment or potential enrollment reductions to achieve compliance.

This inverse relationship has profound implications for resource allocation. The class size reduction law targets investments based on class size rather than student need or academic performance, though districts have control over the order in which it gives schools resources to reduce class sizes. 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 pattern compounds the inequities documented in funding distribution by ENI quartile, creating a system where billions in education spending flow primarily to schools serving students who are already succeeding.

Grade Level and Class Size Compliance

As New York City seeks to meet its next compliance benchmark (80 percent by the start of 2026–27), variation in current compliance at the grade level may prove the most consequential dimension. High schools represent 59.5 percent of all New York City classes, with nearly four times as many high school classes (89,580) as elementary school classes (24,579) and more than twice as many high school classes as middle school classes (36,389) (table 5). The sheer volume of high school classes means the road to higher compliance numbers goes through high schools.

Although class size compliance at the high school level is currently highest among all school levels (65.1 percent), continuing to meet compliance rate goals will require substantial resources. As such, the city faces a paradox. Implementation success depends on progress in high schools, but the justification for that investment rests on the thinnest empirical foundation.

TABLE 5

Class Size Compliance, by School Level

Level	Schools	Students	Total classes	Nonexempt classes	Compliance
Elementary school	790	386,772	24,579	22,594	63.1%
Middle school	234	114,694	36,389	33,997	62.0%
High school	503	303,677	89,580	83,422	65.1%
Total	**1,527**	**805,143**	**150,548**	**140,013**	**64.0%**

Source: New York City Public Schools administrative data, 2024–25.

Funding Distribution Shows Mixed Patterns

Schools could apply for fiscal year 2026 class size reduction funding if they had available space for smaller classes. Of New York City's 1,527 noncharter schools with demographic data,[3] 848 (55.5 percent) applied for funding to reduce class sizes (table 6). After review, 746 (88.0 percent of applicants) received some funding.

Application rates show an inverse relationship with economic need but follow a pattern that makes sense given compliance rates: 67.0 percent of the lowest-need schools applied compared with only 44.1 percent of the highest-need schools. The district received more applications from low-economic-need schools, as their compliance rates started lower. Among applicants, award rates ranged from 83 to 91 percent across need levels, suggesting New York City Public Schools approved most eligible applications, regardless of school characteristics.

TABLE 6

Funding Application and Awards, by ENI Quartile

ENI quartile	Total schools	Application rate	Received	Total students in received schools	Success rate
1 (lowest need)	382	67.0%	232	176,145	90.6%
2	382	63.1%	210	134,460	87.1%
3	382	47.9%	164	80,571	89.6%
4 (highest need)	381	44.1%	140	51,623	83.3%
All schools	**1,527**	**55.5%**	**746**	**442,799**	**88.0%**

Source: New York City Public Schools fiscal year 2026 class size reduction funding data.
Note: ENI = Economic Need Index.

The lowest-need schools receive $448,342, on average (across all schools in the lowest ENI quartile), compared with $179,595 for the highest-need schools (across all schools in the highest ENI quartile). Again, this disparity highlights a critical point: Low-economic-need schools need to add large numbers of teachers to reduce class sizes and, therefore, need greater funding, which exacerbates the existing funding gap between low- and high-economic-need schools.

Schools that applied for and did not receive funding were substantially more likely to serve disadvantaged students (table 7). These schools have an average ENI of 0.824 compared with 0.756 for funded schools, about 7 percent higher need.

Demographically, the average unfunded school enrolls 49.3 percent Hispanic students versus 44.0 percent in funded schools. Conversely, white and Asian students are better represented in funded schools (14.5 percent and 15.3 percent) than unfunded schools (9.7 percent and 10.9 percent). These differences make sense, given existing patterns of class size compliance. Students in schools with large class sizes, and thus more need for reduction under the law, are more likely to be white and Asian.

TABLE 7

Student Demographics, by Funding Status

Student group	All schools (*N* =1,527)	Received funding (*N* = 746)	No funding (*N* = 781)	Gap
Asian	13.0%	15.3%	10.9%	+4.4pp
Black	24.7%	22.4%	26.9%	-4.5pp
Hispanic	46.7%	44.0%	49.3%	-5.3pp
White	12.0%	14.5%	9.7%	+4.8pp
English learner	18.6%	18.0%	19.2%	-1.2pp
Special education	22.7%	21.9%	23.5%	-1.6pp
ENI	0.791	0.756	0.824	-0.068

Source: New York City Public Schools administrative data, 2024–25.
Notes: ENI = Economic Need Index; pp = percentage points. The gap shows the difference between schools receiving funding and those that did not.

Class Size Exemptions Are Highest in Low-Need Schools

The distribution of class size exemptions reveals another dimension of implementation. Schools can receive exemptions from size caps for specific reasons, the most common being insufficient physical space. Analysis of fiscal year 2026 exemption data shows that schools with exemptions differ from those without exemptions (table 8).

The schools with exemptions have much higher shares of white and Asian students and much lower shares of Black and Hispanic students. Schools with and without exemptions have similar numbers of English learners, but schools with exemptions have fewer students with disabilities.

TABLE 8

Class Size Exemptions, by Demographics, Fiscal Year 2026

Student group	Schools with exemptions (*N* = 122)	Schools without exemptions (*N* = 1,405)	Gap
Asian	23.8%	12.1%	+11.8pp
Black	10.5%	26.0%	-15.5pp
Hispanic	41.6%	47.1%	-5.5pp
White	19.5%	11.4%	+8.1pp
English learner	17.6%	18.7%	-1.1pp
Special education	17.8%	23.2%	-5.4pp
ENI	0.695	0.799	-0.104

Source: New York City Public Schools administrative data, 2024–25, and New York City Public Schools, table C: Class Size Compliance by School (FY26).
Notes: ENI = Economic Need Index; pp = percentage points. Exemption rate is the percentage of all classes (exempt and nonexempt) that are exempt from size caps.

Although we would expect fewer exempt classes in high ENI quartiles where compliance rates are already high, low-need schools receive dramatically more exemptions than high-need schools (table 9). Schools in the lowest ENI quartile have 6,579 exempt classes (a 13.7 percent exemption rate) compared with only 483 exempt classes (a 1.9 percent exemption rate) for schools in the highest ENI quartile. This represents nearly a 14-fold difference in absolute numbers and a 7-fold difference in exemption rates. The concentration is even more stark in secondary grades: 91 percent of all exemptions occur in grades 6–12, while only 9 percent are in grades K–5.

TABLE 9

Class Size Exemptions, by ENI Quartile, Fiscal Year 2026

ENI quartile	Schools	Total classes	Exempt classes	Exemption rate
1 (lowest need)	382	48,137	6,579	13.7%
2	382	44,390	2,402	5.4%
3	382	32,822	1,071	3.3%
4 (highest need)	381	25,199	483	1.9%
Total	**1,527**	**150,548**	**10,535**	**7.0%**

Sources: New York City Public Schools administrative data, 2024–25, and New York City Public Schools, table C: Class Size Compliance by School (FY26).
Notes: ENI = Economic Need Index. Exemption rate is the percentage of all classes (exempt and nonexempt) that are exempt from size caps.

Although most boroughs have about the same proportion of their classes exempted, Brooklyn stands out as having significantly more exemptions (9.4 percent as opposed to 6.3 percent or less for the other boroughs) (table 10).

TABLE 10

Class Size Exemptions, by Borough, Fiscal Year 2026

Borough	Schools	Schools with exemptions	Exempt classes	Total classes	Exemption rate
Brooklyn	469	29	4,087	43,522	9.4%
Queens	348	40	2,744	43,469	6.3%
Manhattan	287	14	1,609	26,030	6.2%
Staten Island	74	7	517	8,827	5.9%
Bronx	349	32	1,578	28,700	5.5%
Total	**1,527**	**122**	**10,535**	**150,548**	**7.0%**

Source: New York City Public Schools, table C: Class Size Compliance by School (FY26).
Note: Exemption rate is the percentage of all classes (exempt and nonexempt) that are exempt from size caps.

Most exemptions cite space constraints through capital plan categories 7 and 8. But these exemptions are concentrated in the schools that already serve more advantaged populations and received more funding.

Compliance at What Cost?

Achieving compliance with the class size mandate requires investment in both additional teachers and physical classroom space. New hires become a permanent part of NYCPS, raising the long-term cost of education while adding valuable adults to support learning in the nation's largest school district.

We model two scenarios (table 11). The compliance-efficient scenario prioritizes high school teachers, who each cover multiple classes per day, producing the greatest reduction in overcrowded classrooms per dollar spent. The evidence-based scenario prioritizes elementary school teachers, where research on the benefits of smaller classes is strongest.

The two scenarios carry different price tags at lower compliance levels. Because high schools account for nearly 59 percent of all NYCPS classrooms, concentrating hiring there allows the district to achieve substantial district-wide compliance with relatively few hires. At higher compliance thresholds, however, the scenarios converge, and at full compliance, both require the same number of teachers and the same total cost.

At 100 percent compliance, NYCPS would need to hire almost 17,000 additional teachers, adding over $1.8 billion in annual salary costs. For the 80 percent compliance threshold required by 2026–27, the compliance-efficient scenario reaches the target by hiring roughly 4,500 high school teachers for $490 million. The evidence-based scenario reaches the same threshold by hiring nearly 11,200 teachers for $1.22 billion, a difference of $730 million for an identical level of compliance.

These costs are largely permanent. Teachers hired in one year remain in the district in subsequent years, meaning each new cohort of hires represents a recurring addition to the district's annual budget. Both scenarios assume that there are additional teachers outside NYCPS to hire.

TABLE 11

Teachers Needed and Annual Funding Required, by Compliance Level and Scenario

	70%		80%	
	Compliance efficient	**Evidence based**	**Compliance efficient**	**Evidence based**
Elementary school	0	8,342	0	8,342
Middle school	0	9	0	2,583
High school	1,678	0	4,478	226
Total	1,678	8,351	4,478	11,151
Funding	$183,732,610	$914,392,745	$490,318,610	$1,220,978,745

	90%		100%	
	Compliance efficient	**Evidence based**	**Compliance efficient**	**Evidence based**
Elementary school	7,251	8,342	8,342	8,342
Middle school	0	2,583	2,583	2,583
High school	5,828	3,027	5,828	5,828
Total	13,079	13,952	16,753	16,753
Funding	$1,432,085,105	$1,527,674,240	$1,834,369,735	$1,834,369,735

Source: Authors' calculations based on New York City Public Schools administrative data, 2024–25, and New York City Public Schools, table C: Class Size Compliance by School (FY26).

Notes: Assumes an average teacher salary of $109,495. High school and middle school teachers are assumed to teach five classes per day. Funding figures reflect annual recurring costs. The compliance-efficient scenario prioritizes high school teachers, who each cover multiple classes per day, producing the greatest reduction in overcrowded classrooms per dollar spent. The evidence-based scenario prioritizes elementary school teachers, where research on the benefits of smaller classes is strongest.

Capital Investment and Exemptions

The 2025–29 capital plan has allocated more than $6 billion to add more than 33,000 new seats across NYCPS. As those classrooms come online, some that are currently exempt from the class size law will lose that exemption, increasing the number of teachers the district must hire to remain compliant.

Our cost estimates do not project how exemptions will change over time. As the capital program progresses, the district should revisit these figures to account for shifts in the exemption landscape.

Policy Implications

This analysis reveals several key challenges for achieving full compliance by 2027–28.

Space Constraints and Building Capacity

Space constraints represent a significant barrier and are concentrated in low-need schools. Only 44 percent of the highest-need schools applied for funding, while 67 percent of the lowest-need schools did. Low-need schools also received 13.6 times more exemptions (6,579 versus 483 classes), suggesting they face more challenges meeting class size caps in terms of building capacity. NYCPS estimates 540 schools require additional space for full compliance. The state's $2 billion addition to the five-year capital plan represents progress, but whether this amount will suffice remains uncertain. Capital projects require years to complete, potentially making the 2027–28 deadline infeasible for some schools without extensions or flexibility.

Evidence Gaps in High School

Although the scant evidence on class size reduction shows more benefits in early grades, research on middle and high school class size reductions is scarce. But high schools alone represent 58.5 percent of all classes citywide—

83,422 nonexempt classes requiring compliance decisions. As a result, New York City is investing billions to reduce class sizes in grades where evidence is weakest. Any compliance strategy must address high schools despite limited evidence that such investments will improve student outcomes.

Further, high schools (and middle schools) will require a fundamentally different implementation approach. Each high school and middle school teacher typically teaches five classes, meaning the most efficient way to make progress toward district-wide compliance is hiring at the high school level—especially because they make up the majority of classes—or fundamentally restructuring high school scheduling and course offerings. The 91 percent of exemptions concentrated in grades 6–12 suggest middle and high schools face distinct space and staffing challenges that may require different solutions than elementary schools. Meeting the 2027–28 deadline requires a high school–specific strategy informed by rigorous evaluation of whether these substantial investments improve student outcomes.

Resource Distribution and Fairness Questions

Because the lowest-need schools have the lowest compliance rates (52.2 percent), they will require substantial resources to reach compliance, even though they already serve relatively advantaged populations with much higher academic achievement (55.3 percent ELA proficiency and 60.6 math proficiency). This raises fundamental questions about whether resources are being and should be directed toward schools where research suggests they would have the greatest impact. The law's compliance-based allocation mechanism results in the largest investments flowing to schools serving students who are already succeeding academically, while schools serving struggling students receive fewer resources despite research showing that disadvantaged students benefit most from class size reductions. Additionally, the teachers to reduce class sizes in lower-need schools are unlikely to all be new teachers to NYCPS. If those teachers are hired from other schools within the district and come from higher-need schools, the result will make it harder for NYCPS to accomplish its educational goals.

Fiscal Scale and Opportunity Costs

The total fiscal commitment is enormous, with uncertain returns. Reaching full compliance could require $2.7 to $4.1 billion in additional operating funds beyond current investments, plus $18.0 to $26.8 billion in capital costs. Although reducing class sizes is not a bad idea, resources are finite, and money spent on class size reductions cannot be spent elsewhere. These resources could instead fund teacher salary increases, expanded prekindergarten, intensive tutoring, or other interventions with stronger evidence bases.

Conclusion

The class size reduction law represents New York City's largest investment in a single educational intervention in recent memory—a multibillion-dollar commitment to smaller classes across all grade levels. As the city approaches the midpoint of the five-year implementation timeline, this analysis reveals a complex picture that raises fundamental questions about priorities, fairness, and evidence.

As New York City continues implementation, policymakers should consider whether the goal is to meet a simple counting standard of small class sizes or to maximize student achievement per dollar spent. The law's laudable goals—providing all students smaller classes—must be weighed against opportunity costs, uncertain returns in secondary grades, and the implications of directing large amounts of resources to schools already serving relatively advantaged students.

Rigorous evaluation of outcomes, particularly in middle and high schools, will be essential to determine whether this historic investment delivers commensurate benefits or whether resources might be better deployed elsewhere.

The main question, then, is not whether New York City can afford class size reductions but whether it represents the most effective path toward educational excellence.

Appendix

School need can also be categorized by weighting the quartiles for analysis such that each quartile has about the same number of *students* as opposed to *schools*. The school compliance by student-weighted ENI quartile can be found below. The broad pattern of the lowest-need schools having lower compliance rates and higher-need schools having higher compliance rates holds.

In this student-weighted analysis, schools with low ENI scores (low-need schools) serve economically disadvantaged students, just as schools with lower average achievement contain high-achieving students. Additionally, these schools tend to be larger, so although their ENI is relatively low, the number of economically disadvantaged students could be considerable.

In this brief, we show unweighted, school-level ENI quartiles but show additional student-weighted results below. Given that the way districts have approached compliance is to fund schools to reduce class sizes, we use schools as the unit of analysis throughout the brief, understanding that the law's compliance metric is a district-wide proportion of classes with enrollment under the statutory cap.

TABLE A.1

Class Size Compliance, by Student-Weighted ENI Quartile

ENI quartile	Schools	Students	Nonexempt classes	Compliance
1 (lowest need)	295	201,652	28,749	50.8%
2	291	201,505	35,582	59.5%
3	385	200,971	38,441	66.8%
4 (highest need)	556	201,015	37,241	75.6%
All schools	**1,527**	**805,143**	**140,013**	**64.0%**

Source: New York City Public Schools, table C: Class Size Compliance by School (FY26); Demographic Snapshot 2024–25.
Note: ENI = Economic Need Index. Student-weighted quartiles assign schools, so each group contains about 25 percent of total enrollment.

TABLE A.2

Compliance and Proficiency Rates, by Student-Weighted ENI Quartile

ENI quartile	Average compliance rate (%)	Average ELA proficiency (%)	Average math proficiency (%)
1 (lowest need)	58.5%	70.6%	75.0%
2	67.3%	52.6%	57.9%
3	71.7%	41.7%	47.2%
4 (highest need)	78.8%	31.9%	35.8%

Source: New York City Public Schools, table C (FY26); 2023–24 state test results.
Notes: ELA = English language arts; ENI = Economic Need Index. Proficiency refers to percentage of students scoring level 3 or 4. Schools without both ELA and math data are excluded.

TABLE A.3

Funding Application and Awards, by Student-Weighted ENI Quartile

ENI quartile	Total schools	Application rate	Received	Success rate	Average funding	Per pupil
1 (lowest need)	295	66.8%	179	90.9%	$430,403	$630
2	291	69.1%	176	87.6%	$431,099	$623
3	385	54.0%	183	88.0%	$269,654	$517
4 (highest need)	556	43.5%	208	86.0%	$182,946	$506
All schools	**1,527**	**55.5%**	**746**	**88.0%**	**$299,904**	**$569**

Sources: New York City Public Schools FY26 SAM031 (funded schools); F26 870 (applicant list); Demographic Snapshot 2024–25.
Notes: ENI = Economic Need Index. Average funding refers to total quartile allocation / all schools (including $0 nonrecipients). Per pupil refers to total quartile allocation / total quartile enrollment.

TABLE A.4

Student Demographics, by Funding Status

Student group	All schools (*N* = 1,527)	Received funding (*N* = 746)	No funding (*N* = 781)	Gap
Asian	13.0%	15.3%	10.9%	+4.4pp
Black	24.7%	22.4%	26.9%	-4.5pp
Hispanic	46.7%	44.0%	49.3%	-5.3pp
White	12.0%	14.5%	9.7%	+4.8pp
English learner	18.6%	18.0%	19.2%	-1.2pp
Special education	22.7%	21.9%	23.5%	-1.6pp
ENI	0.791	0.757	0.825	-0.068

Source: New York City Public Schools Demographic Snapshot 2024-25; FY26 SAM031.
Notes: ENI = Economic Need Index; pp = percentage points. Gap refers to received funding minus no funding. This table is identical to table 7; funding status is independent of quartile definition.

TABLE A.5

Class Size Exemptions, by Demographics, Fiscal Year 2026

Student group	Schools with exemptions (*N* = 122)	Schools without exemptions (*N* = 1,405)	Gap
Asian	23.8%	12.1%	+11.8pp
Black	10.5%	26.0%	-15.5pp
Hispanic	41.6%	47.1%	-5.5pp
White	19.5%	11.4%	+8.1pp
English learner	17.6%	18.7%	-1.1pp
Special education	17.8%	23.2%	-5.4pp
ENI	0.695	0.799	-0.104

Source: New York City Public Schools, table C (FY26); Demographic Snapshot 2024–25.
Notes: ENI = Economic Need Index. Exemption status from actual table C data (e.g., space constraints, overenrolled). This table is identical to table 8; exemption status is independent of quartile definition.

TABLE A.6

Class Size Exemptions, by Student-Weighted ENI Quartile, Fiscal Year 2026

ENI quartile	Schools	Total classes	Exempt classes	Exemption rate
1 (lowest need)	295	33,933	5,184	15.3%
2	291	38,494	2,912	7.6%
3	385	40,027	1,586	4.0%
4 (highest need)	556	38,094	853	2.2%
Total	**1,527**	**150,548**	**10,535**	**7.0%**

Source: New York City Public Schools, table C: Class Size Compliance by School (FY26); Demographic Snapshot 2024–25.
Notes: ENI = Economic Need Index. Exempt classes from actual New York City Public Schools exemptions (table C). Exemption rate refers to exempt / total classes.

Notes

[1] New York City Department of Education, "New York City Public Schools Unveils Framework for Class Size Planning and Funding for the 2025-26 School Year," press release, October 31, 2024, https://www.schools.nyc.gov/home/2024/10/31/new-york-city-public-schools-unveils-framework-for-class-size-planning-and-funding-for-the-2025-26-school-year; and Alex Zimmerman, "NYC Is Offering Schools Money to Meet Class Size Mandate. Principals Ponder the Tradeoffs," Chalkbeat, December 11, 2024, https://www.chalkbeat.org/newyork/2024/12/11/nyc-principals-consider-class-size-funding-application-tradeoffs/.

[2] Brad Lander, "Letter to Governor Kathy Hochul, State Senate Majority Leader Andrea Stewart-Cousins, and Assembly Speaker Carl Heastie re: Certification of Class Size Reduction Plan," Office of the New York City Comptroller, January 7, 2025, https://comptroller.nyc.gov/reports/letter-re-certification-of-class-size-reduction-plan/.

[3] Six schools in the NYCPS demographic file have school district borough numbers but no demographic data.

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Acknowledgments

This brief was funded by Robin Hood. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples.