NYC Department of Education

Fiscal Year 2027 Contracts For Excellence and Class Size Reduction Plan Engagement

FY 2027 Proposed Plan _ Manhattan

June 29, 2026

Contracts for Excellence (C4E) Background

- C4E legislation was established as part of the 2007-08 Enacted State Budget under Foundation Aid and requires that a portion of Foundation Aid be used for specific restricted purposes.

- C4E requires that funding be allocated toward specific programs that raise the achievement of students with the greatest educational need including, but not limited to, students with limited English proficiency, students in poverty and students with disabilities.

- In 2022, C4E legislation was amended to include additional requirements related to class size limits.

Contracts for Excellence (C4E) Background

Funding must be spent only within the following initiatives. For illustration, examples of programs by initiative, subject to SED approval, are included below.

- **Time on Task (Additional Instructional Time). Example**: Extended school year, after school academic support.
- **Model Programs for Multilingual Learners**. **Example**: Expansion of bilingual resources and materials in libraries.
- **Full Day Pre-Kindergarten and Kindergarten**. **Example**: Adding classes (additional staff) and/or costs related to implementing full day Pre-Kindergarten 4K.
- **Class Size Reduction**. **Example**: Hiring teachers/paying for teacher salaries to reduce class size or reduce the student/teacher ratio
- **Teacher and Principal Quality Initiatives**. **Example**: The creation of a non-cash incentive program for high quality teachers to teach in high needs areas
- **Middle/High School Restructuring**. **Example**: Expand participation in Advanced Placement programs.
- **Experimental Programs**, which must be approved by SED in advance of implementation.
- More information about eligible uses and requirements may be found on NYSED's website at: https://www.p12.nysed.gov/mgtserv/C4E/htm/researchandguide.html

Contracts for Excellence (C4E) for FY2027

- **C4E is increasing by $269 million from $1.089 billion to $1.358 billion in FY 2027.**
  - This is comprised of $224 million of new funding to be used for class size reduction in FY 2027 and $45 million of existing funding that will be phased in as C4E from last year's class size allocation and will continue to be used for class size.

- **Proposed Allocation of $1.358 billion in FY2027**
  - **Discretionary - $487 million**.
    - These funds are allocated to schools and may be used for any eligible C4E purpose at the discretion of the school. Principals will work with their School Leadership Teams (SLTs) to plan the use of this funding for SY2026-27 in alignment with eligible uses on the previous slide. They may choose to change the use of the funding from SY 2025-26 or to maintain existing staffing positions or programs that were funded in SY 2025-26.

  - **Targeted & Maintenance of Effort - $871 million.**
    - These funds are allocated to schools in support of specific eligible programs. Schools receiving allocations were chosen based on (a) overall student need and (b) capacity to carry out the specific program.
      - $465 Million – Class Size Reduction Mandate (continuing)
      - $183 Million – Fair Student Funding
      - $ 91 Million – Class Size Phase-in
      - $ 86 Million – Integrated Co-Teaching Classrooms
      - $ 30 Million – Summer Program (MOE)
      - $ 9 Million – Full Day Pre-Kindergarten
      - $ 7 Million – Autism Spectrum Disorder Classrooms

Proposed Allocation of Funds
Citywide

Allocation Type	Amount	%
Discretionary (Schools decide on use within allowable programs)	$486,584,204	35.84%
C4E for Class Size Reduction Mandate (Targeted: Schools must spend for this purpose)	$465,226,302	34.26%
Fair Student Funding (Targeted: Schools must spend for this purpose)	$182,743,166	13.46%
Phase-in for Class Size (Targeted: Schools must spend for this purpose)	$90,772,009	6.69%
Integrated Co-Teaching Classrooms (Targeted: Schools must spend for this purpose)	$85,981,663	6.33%
Summer Programming (Maintenance of Effort)	$30,577,397	2.25%
Full Day Pre-Kindergarten (Targeted: Schools must spend for this purpose)	$8,702,365	0.64%
Autism Spectrum Disorder Classrooms (Targeted: Schools must spend for this purpose)	$7,156,900	0.53%
Total	**$1,357,744,006**	**100.00%**

Proposed Allocation of Funds
Manhattan

Allocation Type	Amount	%
Discretionary (Schools decide on use within allowable programs)	$51,993,140	32.71%
C4E for Class Size Reduction Mandate (Targeted: Schools must spend for this purpose)	$56,570,981	35.59%
Fair Student Funding (Targeted: Schools must spend for this purpose)	$16,221,905	10.20%
Phase-in for Class Size (Targeted: Schools must spend for this purpose)	$11,190,114	7.04%
Integrated Co-Teaching Classrooms (Targeted: Schools must spend for this purpose)	$16,193,003	10.19%
Summer Programming (Maintenance of Effort)	$4,464,671	2.81%
Full Day Pre-Kindergarten (Targeted: Schools must spend for this purpose)	$802,403	0.50%
Autism Spectrum Disorder Classrooms (Targeted: Schools must spend for this purpose)	$1,528,704	0.96%
Total	**$158,964,921**	**100.00%**

Public Comment for Contracts for Excellence

- We will take public feedback regarding the C4E Plan into account in the coming weeks as we continue to work toward complying with this mandate.

- The deadline for submitting public comment on the C4E Plan is July 29, 2026.

- Educators, parents and caregivers, and all other members of the New York City community may submit their comments by email to contractsforexcellence@schools.nyc.gov

Class Size Reduction Plan

- A **draft** plan has been posted as a part of the Contracts for Excellence public process.

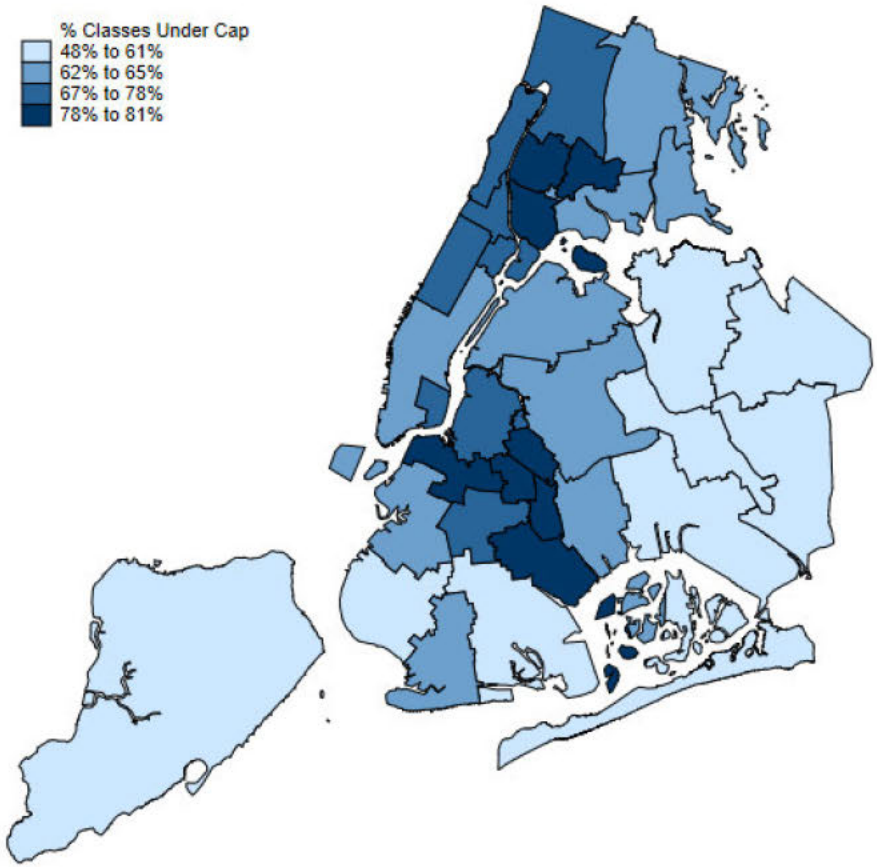
- Members of the public are able to give feedback through this process.

- Following public feedback, NYCPS will work with the teachers' and principals' unions to finalize the plan. Under the law, these unions must sign off on the plan prior to it being finalized.

- The plan outlines school-level policies and central-level policies.

SY25-26 Compliance* By District, as of 10/31/2025

District	% of Classes Under Caps
01 (Manhattan)	67%
02	65%
03	72%
04	70%
05	78%
06	77%
07 (Bronx)	78%
08	64%
09	80%
10	69%
11	62%
12	79%
13 (Brooklyn)	78%
14	68%
15	64%
16	80%
17	77%
18	79%
19	65%
20	50%
21	65%
22	51%
23	81%
24 (Queens)	63%
25	61%
26	48%
27	55%
28	56%
29	58%
30	62%
31 (Staten Island)	50%
32 (Brooklyn)	81%



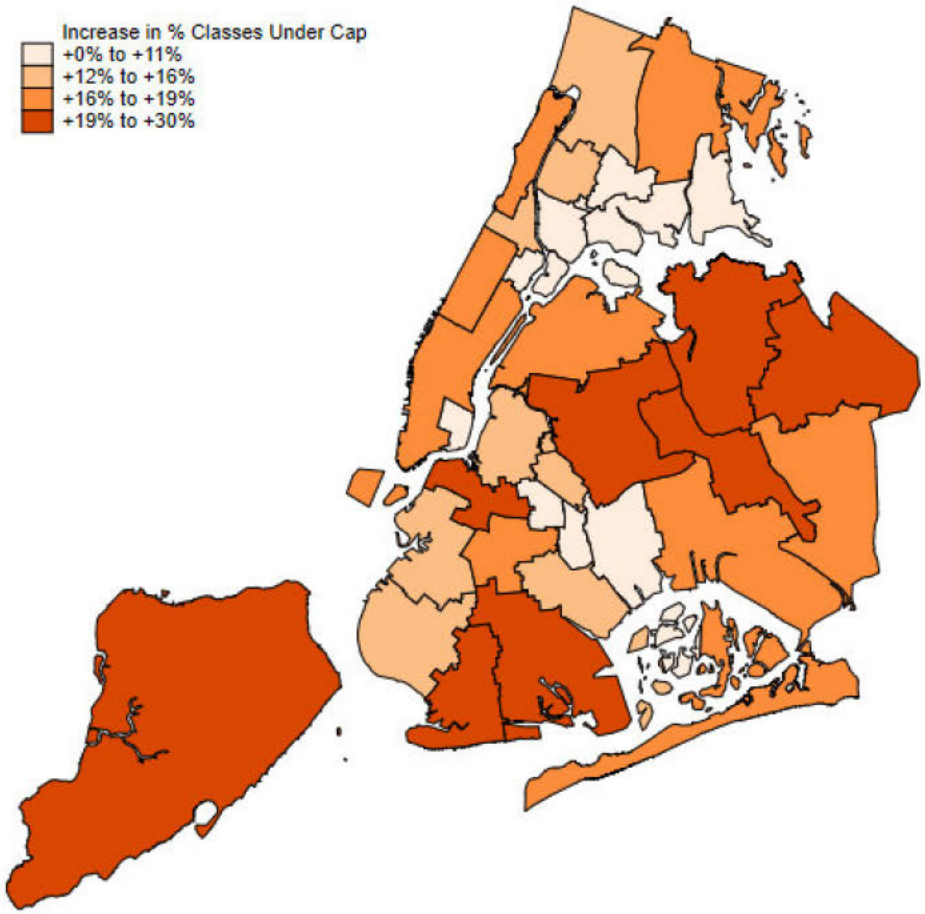
Compliance varies across the city:

- Schools in Districts 32 (Bushwick), 23 (Brownsville, Ocean Hill), and 16 (Bedford-Stuyvesant, Weeksville) have the highest percentage of classes at or below the class size caps.
- Schools in Districts 26 (Floral Park, Little Neck, Bayside, Fresh Meadows), 31 (Staten Island), and 20 (Bay Ridge, Fort Hamilton, Dyker Heights) have the lowest percentage of classes at or below the class size caps.

**includes exemptions*

SY25-26 Compliance* Change By District, as of 10/31/2025

District	Increase in % of Classes Under Caps
01 (Manhattan)	6%
02	17%
03	19%
04	8%
05	14%
06	17%
07 (Bronx)	10%
08	8%
09	14%
10	12%
11	16%
12	11%
13 (Brooklyn)	30%
14	16%
15	14%
16	10%
17	17%
18	16%
19	8%
20	15%
21	29%
22	20%
23	0%
24 (Queens)	27%
25	28%
26	23%
27	18%
28	25%
29	17%
30	18%
31 (Staten Island)	19%
32 (Brooklyn)	15%



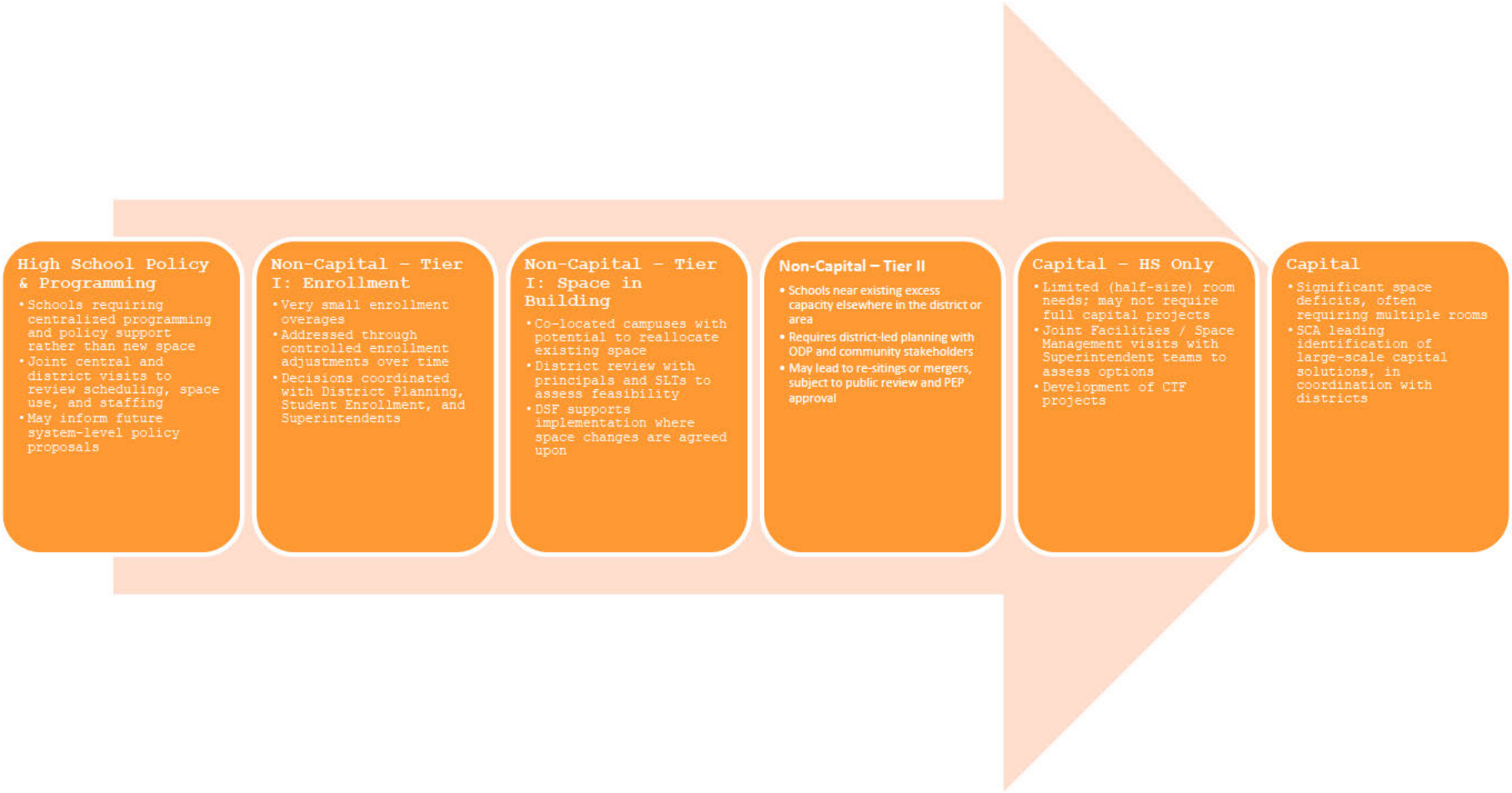
- Elementary grades made the most significant progress:
  - Grades K-3 saw a 28.7 point increase in compliance
  - Grades 4-5 increased compliance by 23.1 points
- Middle and High Schools made meaningful progress:
  - MS grew 20.4 pts more compliant
  - HS grew 16.0 pts more compliant
- Schools that were awarded additional teaching positions increased compliance by 27 pts, as contrasted with 7 pts for schools that were not awarded additional teaching positions through the FY26 Funding Process.

**includes exemptions*

Summary of Draft Class Size Reduction Plan

- **Summary of Impact:** With exemptions, for SY25-26, the city reached a compliance rate of 64% (59.5% without exemptions), exceeding the 60% requirement under the law.
- **Intensive Focus on Space:** NYCPS and the School Construction Authority (SCA) conducted a system-wide, school-by-school space planning intensive—reviewing over 600 schools to identify tailored pathways to compliance that prioritize maximizing existing space first and deploying capital solutions where necessary. The approach blends capital and non-capital solutions, integrating strategies, including enrollment shifts, re-allocation of space in buildings and use of the A-190 process, to support class size reduction efforts.
- **Continued Commitment to Teacher Hiring and Recruitment:** NYCPS is focused on recruiting teachers by continued commitments to advertising, hiring and networking events, as well as additional early commitment efforts and leveraging the Teaching Fellows Program, including $17M of funding to support this effort.
- **Funding for Teacher Hiring:** An additional $244M ($224M is C4E) will be allocated to schools in Fiscal Year 2027 to hire additional teachers and bring more high-quality educators into smaller classrooms.

Pathways to Align Space and Capital Resources to Demand



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