



Fiscal Year 2026 Contracts For Excellence and Class Size Engagement

FY 2026 Proposed Plan
Borough Hearing _ Manhattan

June 10th, 2025



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 updated 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.

- Additional Instructional Time: “Time on Task”. **Example:** extended school year, after school academic support.
- Model Programs for Multilingual Learners. **Example:** expansion of bilingual resources 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 produce a reduction in 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.
- Additionally, the SED Commissioner may authorize districts to implement experimental programs. Such authorization must be granted in advance of implementation.
- More information about eligible uses and requirements may be found at NYSED’s website <https://www.p12.nysed.gov/mgtserv/C4E/htm/researchandguide.html>

Contracts for Excellence (C4E) for FY2026

- **C4E is increasing by \$286 million from \$802 million to \$1.089 billion in FY 2026.**
 - This is comprised of \$241 million of new funding to be used for the class size mandate in FY 2026 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 \$1.089 billion in FY2026**
 - **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 SY2025-26 in alignment with eligible uses on the previous slide. They may choose to change the use of the funding from SY 2024-25 or to maintain existing staffing positions or programs that were funded in SY 2024-25.
 - **Targeted & Maintenance of Effort - \$602 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.
 - **\$241 Million – New C4E for Class Size Reduction Mandate**
 - **\$ 45 Million – Class Size Reduction Mandate (continuing)**
 - \$183 Million – Fair Student Funding
 - \$ 87 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)	\$486,627,874	44.70%
New C4E for Class Size Reduction Mandate (Targeted: Schools must spend for this purpose)	\$241,137,541	22.15%
Fair Student Funding (Targeted: Schools must spend for this purpose)	\$182,752,118	16.79%
Integrated Co-Teaching Classrooms (Targeted: Schools must spend for this purpose)	\$87,354,695	8.02%
Phase-in for Class Size (Targeted: Schools must spend for this purpose)	\$44,967,715	4.13%
Summer Programming (Maintenance of Effort)	\$30,000,000	2.76%
Full Day Pre-Kindergarten (Targeted: Schools must spend for this purpose)	\$8,702,365	0.80%
Autism Spectrum Disorder Classrooms (Targeted: Schools must spend for this purpose)	\$7,110,664	0.65%
Total	\$1,088,652,972	100.00%

Proposed Allocation of Funds Manhattan

Allocation Type	Amount	%
Discretionary (Schools decide on use within allowable programs)	\$52,036,810	40.66%
New C4E for Class Size Reduction Mandate (Targeted: Schools must spend for this purpose)	\$31,032,248	24.25%
Fair Student Funding (Targeted: Schools must spend for this purpose)	\$16,230,857	12.68%
Integrated Co-Teaching Classrooms (Targeted: Schools must spend for this purpose)	\$16,431,901	12.84%
Phase-in for Class Size (Targeted: Schools must spend for this purpose)	\$5,549,030	4.34%
Summer Programming (Maintenance of Effort)	\$4,367,426	3.41%
Full Day Pre-Kindergarten (Targeted: Schools must spend for this purpose)	\$802,403	0.63%
Autism Spectrum Disorder Classrooms (Targeted: Schools must spend for this purpose)	\$1,518,832	1.19%
Total	\$127,969,507	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 8, 2025.
- 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.

Summary of Draft Class Size Reduction Plan

- Plan includes:
 - The school-driven planning approach for school year 2025-2026, which has directly resulted in additional resources being provided to schools, including \$241 million in Contracts for Excellence as well as additional city funds.
 - **About 750 schools were awarded funding to hire approximately 3,700 NEW teachers**
 - Plans were developed in consultation with SLTs by individual schools
 - Plans were reviewed collectively by NYCPS, the United Federation of Teachers (UFT) and the Council for School Supervisors (CSA)
 - Data showing that **46% of classes** across NYCPS were below the targets for school year 24-25, above the 40% required by law for this year
 - Updates on the results of the principal space survey and work to convert rooms into instructional spaces that NYCPS anticipates may result in **an additional 1500 seats** in schools without space to comply
 - SCA **expanded the capital approach** to respond to class size law and localized class size needs
 - Multiple strategies to **support teacher recruitment and retention**, including a new District Point Pilot

Public Comment for Class Size Reduction Plan

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- The deadline for submitting public comment will be July 8, 2025.
- Educators, parents and caregivers, and all other members of the New York City community may submit their comments by email to ClassSize@schools.nyc.gov