



Campaign for Fiscal Equity, Inc.



February 13, 2011

The Honorable Andrew M. Cuomo
Governor of the State of New York
NYS Capitol Building
Albany, NY 12224

Re: Education Budget Cuts

Dear Governor Cuomo:

The organizations represented here have led the 18 year battle launched with the Campaign for Fiscal Equity (CFE) litigation to ensure that every public school student, particularly those with the greatest economic and academic needs, are provided with their constitutional right to a sound basic education. We are parents, community members, educators, policy experts and advocates for children, particularly those in greatest need, who are otherwise voiceless in the political process. Our priority is to ensure all students has access to the opportunity to learn which is their constitutional and moral right.

The standard set by the New York Court of Appeals in the litigation requires the state to provide adequate resources so that every public school student has the opportunity for a meaningful high school education that prepares him or her for competitive employment and active civic participation. In 2007, in response to a court order, the Governor and the State Legislature put a plan in place to phase-in a \$7 billion increase in education over four years, \$5.5 billion distributed through a new foundation formula based on need, in order to achieve the adequacy levels ordered by the court. These increases which were delayed from four to seven years are the product of the collective efforts of parents, educators and policymakers armed with the power of our constitution to advance education equity and excellence in this great state.

No one can deny the pressures on the state to deal with fiscal reality. But to do so requires a clear understanding of the record and collective agreement on priorities. Instead, we are dismayed that we begin this debate with talk of sham numbers and special interests driving the education budget.

First, you have proposed the largest education dollar cuts in state history. You have asserted that out of control formulas that were "special interest protection programs" produced 13.1% growth in education spending this year. In the interest of full

transparency from our state government we ask that you provide a full public explanation of these 13.1% formula increases you have repeatedly highlighted. We believe the people of New York deserve an accurate accounting of the facts.

Below are the facts as we understand them on school aid:

- 2010-11 school aid would have been \$20.67 billion if permanent law were allowed to proceed;
- "Permanent law" growth slated for 2011-12 includes:
 - \$1.2 billion due to restart the phase in of the CFE commitment after two years that included a freeze and a cut;
 - \$1.4 billion to restore the cut made by Governor Paterson's which, due to his veto of Article VII legislative language, was set in law to expire after one year.

In other words, \$2.6 billion of the "permanent law" increase that shows up in the 2011-12 deficit is a combination of 1) restarting the CFE phase in after a two year hiatus and 2) sustaining last year's school funding cut. This \$2.6 billion is 12.6% of the \$20.67 billion. Thus, far from the out of control formulas and special interests, these "increases" amount to the CFE promise and a restoration the 2008-09 freeze level. Consequently, the proposed new cut is made up of breaking the CFE promise for this year and compounding the deep cut below the CFE freeze from last year. Second, while you have talked about the "sham" of built in increases, we are concerned that your budget documents make their own set of confusing claims. On the one hand the budget claims to maintain foundation aid funding while, on the other hand, the Gap Elimination Adjustment (GEA) which controls the bottom line, cuts foundation aid by over \$1.2 billion.

Your Budget Briefing Book explains the method for making the cut. The GEA is applied to all formula aids except for Universal Pre-K and Building Aid. Looking at the school aid runs, we find that total foundation aid for 2010-11 was \$14.9 billion out of \$20.67 billion in total school aid. However, if we exclude Building Aid (\$2.49 billion) and UPK (\$393 million) then remaining total school aid was \$17.787 billion. Foundation aid was therefore 84% of the funding to which the GEA is applied. For 2011-12, you use the same approach in applying the GEA. Therefore, in the proposed budget, 84% or \$1.26 billion of the \$1.5 billion year to year cut is actually a cut to foundation aid, the school aid that prioritizes the neediest districts and is specifically targeted to serve the neediest students who are disproportionately poor, English Language Learners and/or have special needs. This cut comes at a time when school standards are being raised and the pressure to achieve falls the hardest on these students and their schools. As you eloquently put it, "I think the inequity in education is the civil rights issues of our time. There are two education systems in this state. Not public private. One for the rich and one for the poor and they are both public."

It is these students for which we speak, and this system that we have worked to reform. As you have said, "only in Albany" can foundation aid both be frozen and also be cut by

\$1.26 billion. Governor Paterson used the technique of masking the cut to foundation aid through the use of the GEA. By doing so Governor Paterson attempted to create a myth that CFE funding was untouched by cuts. As noted above, last year school aid was cut by \$1.4 billion, \$1.18 of the cut to foundation aid. The State continues to compound the loss.

We call on you to clear the record so that we and the people of New York can come to a common understanding of the facts—no shams, no special names to mask the cuts. Here is where we stand on the \$5.5 billion in CFE foundation aid funding: In 2007 approximately \$1.1 billion foundation aid was provided statewide. In 2008, approximately \$1 billion more was appropriated. In 2009 funding was frozen with the help of federal stimulus dollars. In 2010 the cut to foundation aid effectively wiped out the first year of CFE funding. We are alarmed that your proposed cuts would wipe out the the second year plus as well as all the progress we have made toward our constitutional goal. In addition your proposed budget contains a stretch out of the CFE phase-in from seven to ten years which is cancelled out by your proposal for a cap on the growth in school aid based upon growth in personal income. The CFE commitment made by the state was designed to provide adequate resources to improve the quality of schools. It worked for two years. But this proposed budget cap would limit future growth of CFE payments to nothing more than an inflation factor thus allotting no funding for the school improvement as intended as part of the CFE commitment. We call on you to set the record straight on the numbers publicly and recognize that the opportunity for a sound basic education has constitutional priority. School children—the drivers of our economic future—only go to school one time around. School children are not a special interest. If they were, they would probably fair better in the political process. Instead, they need a champion to ensure that they have a great education that will provide the engine for our economic growth and their economic well-being.

We would like to meet with you at your earliest convenience to work together to make this right a reality for the school children of New York.

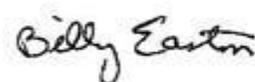
Thank you.

Sincerely,

Campaign for Fiscal Equity
Geri Palast



Alliance for Quality Education
Billy Easton



New York City Coalition for Education Justice
Carol Boyd



New York Immigration Coalition
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Advocates for Children
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