

CAMPAIGN FOR FISCAL EQUITY

The Campaign for Fiscal Equity (CFE) litigation was commenced in 1993 on behalf of New York City school children who alleged that the state had denied them their state constitutional right to a sound basic education. Subsequently, League members across the State participated in the "Accountable Schools, Accountable Public" and other public engagement projects designed to educate citizens and elicit opinions about the issues. The LWV submitted an Amicus Brief (2002) in support of that suit, premised primarily on the concept that the democratic system rests upon an educated electorate. The brief contended that it is the role of the public schools to prepare students for civic participation and that public schools failed to do so. After ten years of litigation, in a 4-1 Court of Appeals decision, CFE won its lawsuit against the State for under-funding New York City schools. The Court ruled on June 26, 2003 that every public school student is entitled to "the opportunity for a meaningful high school education," which was defined as "one with skills and knowledge to function productively as civic participants in the 21st Century, including being capable and knowledgeable voters and jurors able to sustain employment." The Court also ordered the Governor and Legislature to determine the cost of a sound basic education in New York City, to reform the State's funding formula to ensure necessary resources and to implement an accountability system that would ensure that the opportunity is received. July 30, 2004 was designated as the deadline for instituting these measures. Judge Leland de Grasse, the New York State Supreme Court judge who had rendered an earlier affirmative decision in the case, announced his intention to appoint a master by July 30, 2004 if the legislature fails to produce an adequate remedy by the deadline.

Commencing in 2003 after the CFE decision, the League has testified before legislative and official state commission representatives, making recommendations about the CFE remedy. In the fall of 2004, the League filed a second Amicus brief, following the legislature's and the Governor's failure to resolve the case by the July 30, 2004 deadline imposed by the Court of Appeals. The League testified in opposition to the Governor's proposed 2006-2007 budget because it did not provide the additional state operating aid mandated by CFE.

In 2006, the legislature addressed the capital needs New York City schools to bring them into compliance with that portion of the CFE order addressing capital funding.

On November 20, 2006, the New York State Court of Appeals reaffirmed the state's responsibility to increase funding for New York City schools. Although its decision established as reasonable an additional funding figure of \$1.9 billion in operating expenses, or \$2.5 billion statewide, adjusted for inflation from 2004, the court noted that the governor and legislature were best able to arrive at the appropriate figure to provide all New York City students with the opportunity for a meaningful high school education. To that end the Campaign for Fiscal Equity, which the League supported in this litigation, has called for additional annual funding of between \$4 and \$6 billion for NYC, a figure previously supported by both Governor Spitzer and former Governor Pataki.

The League's position supports the higher level of funding in two respects. First, it provides that money must be sufficient to enable children to meet all Regents standards in addition to enabling districts to provide a sound basic education, the constitutional minimum. The first Court of Appeals decision in CFE noted that funding need not be at a level sufficient to enable children to meet all Regents standards. While this distinction was relatively unimportant in light of the Appellate Division

decision supporting CFE funding in the \$4 to \$6 billion range, it becomes paramount in light of the intervening Court of Appeals decision in support of the lower minimum remedy. Secondly, the LWVUS has a position in support of early childhood education, including preschool, as part of its social policy position advocating early intervention for children at-risk. Studies have shown that at-risk children enter school without the requisite readiness skills, and they are unable to overcome the initial gap. Quality pre-school education can help to alleviate this gap. In keeping with these positions, the League has joined a number of advocacy groups in calling for implementation of the CFE order statewide at a level higher than the minimum amount.

The League supports a foundation approach to funding education, in which the State provides any shortfall after calculation of a reasonable local share.

2005-2006 Statewide Study of K-12 Education

Amendment of Financing Public Education K-12, and Adoption of a Position on Charter Schools

At the May 2005 Convention, delegates voted to update the eight-year-old position on Financing Public Education K-12, and left the flexibility to study current issues facing charter schools, gambling as a source of revenue for the schools, and the STAR program. During the first year of the study (September, 2005 to May, 2006) the League considered how the State should raise the additional funds required to implement the CFE order on a statewide basis and the role of the STAR Program (School Tax Relief) on the funding of education. Local Leagues completed the consensus process in May 2006 and the Board amended Financing Public Education K-12 and Real Property Taxation positions in July 2006 to reflect the consensus results.

Briefly stated, the League amended its Financing Education position (K-12) to support greater equity in education financing for both pupils and taxpayers, removal of education from the political arena by adoption of a foundation approach to education finance, recognition of savings by replacement of the STAR program with a meaningful needs-based circuit breaker program with annual cost of living adjustment, increased stability of education finance by creation of a dedicated education reserve to make up shortfalls in times of economic downturn, and the raising funds to provide New York's children with a sound basic education through increases in the New York State personal income tax, implemented in a progressive fashion.

The League amended its real property tax position to provide for replacement of existing residential property tax relief programs, in which relief goes to all regardless of need (such as basic STAR), with programs based on need, adjusted annually in accordance with changes in the cost of living.

During the second phase of the study (September to November, 2006) the League considered whether to adopt a charter school position as part of its overall financing education positions. Local Leagues completed the consensus process in November 2006 and the Board adopted a Charter School position in November 2006 to reflect the consensus results, which were then posted on the website. In December 2006, the League cancelled the third phase of its study, the use of gambling revenues to finance education, for lack of sufficient local League interest.

In 2007, the League successfully supported Governor Spitzer's proposal to move to a foundation approach for the funding of education that included a financial commitment to universal pre-K and full-day kindergarten and pledged a new focus on early childhood development, with emphasis on

children from birth to age 3. The League supported these initiatives, which were largely reflected in the enacted budget. It was unsuccessful, however, in its attempts to stop legislative tinkering that increased STAR benefits and provided other educational benefits to Long Island districts. The addition of tax relief and other benefits maintained the traditional shares approach in distribution of state education aid. The League lobbied unsuccessfully to prevent an increase of the STAR program. The League lobbied successfully for adoption of a transition assistance program for school districts severely financially affected by charter schools, but was unsuccessful in its attempts to prevent an increase of the number of charter schools allowed.