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INDEX NO. UNASSIGNED

SUPREME COURT OF NEW YORK COUNTY OF NEW YORK

MICHAEL MULGREW, as President of the United Federation of Teachers, Local 2, American Federation of Teachers, AFL-CIO, UNITED COMMUNITY SCHOOLS, REBECCA LOPEZ, MIRIAM SICHERMAN, COFFEY MCMILLAN and BERURYAH BATYEHUDAH,

Plaintiffs,

-against-

THE CITY OF NEW YORK and ERIC L. ADAMS, in his official Capacity as Mayor of the City of New York, THE NEW YORK STATE EDUCATION DEPARTMENT,

Defendants.

COMPLAINT

Plaintiffs Michael Mulgrew, as President of the United Federation of Teachers, Local 2, American Federation of Teachers, AFL-CIO, United Community of Schools, Rebecca Lopez, Miriam Sicherman, Coffey McMillan and Beruryah Batyehudah, on behalf of herself and her minor child, (collectively, "Plaintiffs") by their attorneys Steptoe LLP, hereby allege as for their Complaint against the City of New York (the "City"), the Mayor of the City of New York (the "Mayor"), and the New York State Education Department ("NYSED") as follows:

NATURE OF THE ACTION

1. State law protects education funding from the temptation of local officials to deprioritize education from other preferred policies or to use such funding as a political football, subject to the whims of politicians and the particular headline issues of the day. Recognizing this proclivity, New York law requires, in two statutory provisions, that the City maintain its funding of education at the same level as the prior year and that state funds be used to supplement, not supplant, local funding. Without these vital protections, no matter what level of

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suffering.

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state funding, education could – as is the situation here – get entangled in the City's annual budgetary maneuvering and political posturing, with children and school communities invariably

- 2. This action seeks to stop the Mayor from violating these laws by unilaterally moving to slash the New York City Department of Education's (DOE) FY 2024 and FY 2025 education budget by staggering amounts.
- 3. The approximate \$547 million in immediate budget cuts to the New York City School District announced on November 16, 2023, together with the further cuts proposed that may amount to close to \$2 billion stripped from City schools this fiscal year and next, will have a far-reaching and devastating impact on teachers and New York City children. The cuts come as 653 schools 43% of the school community have already been forced to make in-school year budget cuts due to enrollment.
- 4. The Mayor's draconian cuts are as unnecessary as they are illegal. While the law allows a reduction in education spending proportional to a decrease in City revenue, the opposite is expected to occur. The cuts are being made at a time when the City collected nearly \$8 billion more in revenue last fiscal year than was anticipated, and when the City's reserves of over \$8 billion are at a near record high (despite the false narrative, an annual refrain during budget negotiations, that the City is careening towards a fiscal cliff). The Mayor claims the "outyear budget gaps" require the cuts to New York City's essential services. Yet, year after year, the projected outyear budget gaps never materialize, and, as if by magic, are completely eliminated as revenue comes in over projections by budget year-end. Indeed, the Comptroller just announced his estimate of a surplus for FY 2024 and a far smaller gap to close in FY 2025.1

¹ "Annual State of the City's Economy and Finances," New York City Comptroller, December 15, 2023, available at https://comptroller.nyc.gov/reports/annual-state-of-the-citys-economy-and-finances/

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5. The stated reason for the cuts is to cover the cost of providing services to the influx of migrants now seeking asylum in New York City. Yet, of the more than 110,000 asylum seekers who recently landed in New York City, *at least 20,000* are children currently enrolled in public schools.² Approximately *33,000* migrant students have enrolled in public schools since the summer of 2022.³ Due, in large part, to this influx of migrant students, total enrollment in the City school district rose by over 8,000 students. The brutal irony of the Mayor's action is that he has severely and disproportionately defunded the DOE, one of the primary City agencies that now desperately requires *more* resources to serve these migrant children, not less.

6. In announcing the cuts, the Mayor's administration admonished that "the federal and state government must play their part in delivering long overdue support, funding and resources." The Mayor has repeatedly blamed leaders in Albany and Washington during his negotiations for failing to provide more financial support to New York City, and continues to claim that the City is experiencing a budgetary "crisis," as is typical when seeking additional federal and state aid. But the law does not permit school funding to be used as a political bargaining chip; and cutting essential services to the City's schools is not a substitute for the mayoral leadership and advocacy on behalf of New Yorkers needed to obtain federal and state support.

² Gina Bellafante, "'So Much Suffering:' What Migrant Children Carry to New York," N.Y. TIMES, September 16, 2023, available at https://www.nytimes.com/2023/09/16/nyregion/nyc-migrant-crisis-mental-health.html/

³ Jillian Jorgenson, "*The New Kids: For one asylum-seeking student, school is 'therapy*", Spectrum News, NY1, December 6, 2023, available at https://ny1.com/nyc/all-boroughs/education/2023/12/06/the-new-kids--for-one-asylum-seeking-student--school-is--therapy-

⁴ Press Release, "Mayor Adams Releases November 2023 Financial Plan Update," November 16, 2023, available at https://www.nyc.gov/office-of-the-mayor/news/875-23/mayor-adams-releases-november-2023-financial-plan-update

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7. Adequately funding our schools is, as the New York Court of Appeals has recognized, a foundational cornerstone to providing a constitutionally-required sound basic education, one that ensures the basic literacy, calculating and verbal skills necessary to function productively as civic participants, and one that provides opportunity for even the most economically disadvantaged students in New York to achieve and perform.

- 8. For this reason, there are a number of built-in budgetary funding guarantees under New York State's Education Law to ensure that year-after-year, the City allocates and spends at least the same level of funding on education as the previous budget cycle and that state and federal aid supplement, and do not supplant, the provision of City funds. While the Mayor and the City Council may have competing preferences or interests in setting the annual budget for the City each fiscal year, maintaining funding for our schools is a legal requirement, not a political or policy choice.
- 9. The "maintenance of effort" and "supplement, not supplant" provisions of New York's Education Law are designed to prevent precisely the type of slashing of vital resources that the Mayor has now imposed.
- 10. Under Education Law § 211-(d)(1)(e), the amount budgeted by a school district for the Contract for Excellence program cannot be less than the amount set for the prior year.

 N.Y. Educ. L. § 211-(d)(1)(e). Subdivision (6) of the same section requires a yearly certification contained within an annual audit for the program that the increases in aid and grants from the program "have been used to *supplement, and not supplant* funds allocated by the district" in the prior year. N.Y. Educ. L. § 211-(d)(6).
- 11. This school year, desperately needed state funds were finally expected to reach City schools. The money was anticipated to, among other things, help reduce class sizes to

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comply with new state classroom mandates and to aid schools that enroll higher-need children.

The Mayor's actions have now torpedoed that historic commitment to school funding and threaten to reopen the long chapter of educational inequity that has plagued schools in this State.

The increased Contract for Excellence funds in the state budget will now have to be used to "supplant," rather than "supplement" the depleted funding from the City.

- 12. In addition to Contract for Excellence funding, each fiscal year the Department of Education must prepare an itemized annual estimate of funds. To protect City schools from disproportionate funding reductions relative to other City functions, New York's Maintenance of Effort (MOE) Law, codified at Education Law § 2576, mandates that the amount of City funds allocated to the City School District of New York in any given year shall not be less than amount allocated in the prior year, unless the City has suffered a decline in revenue. N.Y. Educ. L. § 2576(5-a).
- 13. Overall revenues in New York City have *not* declined (and, in fact, have increased by a significant amount), yet by executive fiat, approximately \$547 million of DOE money disproportionate to other agency reductions has now been excised from the City's school district budget and an additional 5% is scheduled to be excised in January. The City is not "maintaining" its level of funding, nor will it spend an amount equal to the funds expended last year.
- 14. Just a few months into the fiscal year, the Mayor has announced a blunt austerity measure without any regard for specific agencies or programs. As School Chancellor David C. Banks said of the cuts back in September, "[i]t's going to probably affect every aspect of what

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we do[,] so it's not any specific program. I can't imagine any program that's not going to be affected by cuts of th[is] size."⁵

- 15. The Mayor's cuts reach all aspects of City schools, including:
 - a. Parents, students and teachers who rely on the Universal Pre-K program, for example, will see \$120 million taken away from their funding;
 - b. \$286 million has been cut from DOE-funded positions;
 - c. Parents, students and teachers who rely on after-school and summer school for their children will see \$96 million in reduced funds;
 - d. Computer Science programs are being cut by \$3.5 million; and
 - e. Community schools are being cut by \$10 million.
- 16. These cuts reduce vital educational services that provide stability to school communities throughout New York City.
- 17. Budgeting is an artform, not a science. New York City Mayors regularly overstate the size of costs while underestimating projected revenue. The practice allows the Mayor to prioritize and publicly herald certain politically useful policies, while at the same time testing the public's tolerance for cutting other programs. As just one example, the \$4.3 billion outyear budget gap projected in January 2021 for this past fiscal year turned into a \$5.5 billion surplus by year end.
- 18. The Mayor's purported need for these cuts has been largely fueled by an unverified estimate that an increase of \$11 billion dollars over the next two years is necessary to address the migrant population (\$2.5 billion of which has already been budgeted). The City has underestimated revenue in budget outyears, exacerbating the perceived need for savings to deal

⁵ Henry Rossoff, "Officials Worry Budget Cuts Could Impact Department of Education, Parents Urged to Push Back," Local News, Pix11, September 12, 2023, available at https://pix11.com/news/local-news/officials-worry-budget-cuts-could-impact-department-of-education-parents-urged-to-push-back/

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with the supposed expense. And the purported crisis of the \$7 billion "gap" for FY 2025 that the Mayor touts as necessitating these budget cuts comes largely from an added \$5 billion in asylum spending that was just added to the Mayor's November Financial Plan. Recent Independent Budget Office and Comptroller estimates conclude that the likely migrant costs are significantly less than the \$11 billion the Mayor has attempted to solve for.

- 19. Whether the cost estimates of the asylum seekers overstate the actual need (with or without additional federal funding), or whether the projections of revenue are intentionally conservative for the next two fiscal years, the dollars cut by the Mayor from the DOE budget this November are real dollars; they are not financial projections, political posturing, or budgetary maneuvering. The Mayor's actions significantly impact teachers and the level of services that can be provided to children in New York City, and they do so immediately.
- 20. As just one example, the budgets of New York City's community schools have been significantly cut. Four community schools in particular, PS 30, IS 96K, PS 335 and 302Q, are estimated to lose nearly \$2 million of the \$10 million cut to community schools in programming, supplies, and staff as a result of the Mayor's mid-year actions. The schools in New York City's District 75, a district serving 26,000 of some of the most high-needs students in the City, have been asked to shoulder some of the deepest budget cuts, more than \$1 million per school, endangering vital paraprofessionals, teaching assistants, programming and supplies, and pushing schools even further out of compliance with special education requirements.
- 21. New York City Public Schools have also reduced the Summer Rising program hours for middle schoolers, a program used by 110,000 students, ending the day at 4pm, instead of 6pm with the program not operating on Fridays. Such schedule reductions not only deprive

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students of needed programing, they create significant new challenges for working parents.

Deep cuts have also been made to the City school's computer science program offerings.

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- 22. Finally, the Mayor's reductions and hiring freeze have impeded progress on key requirements of a Federal District Court's milestone order meant to address longstanding delays in the DOE's provision of special education services to children with disabilities. Benchmarks goals are not being met by their Court-ordered deadlines and, as the Special Master monitoring the action put it, "[e]ach day that passes, thousands of our most vulnerable children are not getting services they need when more steps could be taken." With millions of dollars being slashed from school budgets, special education services will fall even further behind.
- 23. Budget cycles typically present gaps and outyear shortfalls that need to be accounted for by the Mayor and the City Council. But nothing has changed between the passage of the budget last June and now that justifies these draconian cuts to our City's schools.
- 24. Plaintiffs seek this Court's intervention to remedy the Mayor's unchecked and unnecessary exercise of executive power, particularly when these budget cuts are so plainly antithetical to the Education Law's commitment to the "preservation of student health, safety and general welfare." N.Y. Educ. L. § 2590-(g)(9).

PARTIES

25. Plaintiff Michael Mulgrew is a resident of the State and City of New York, and is the President of the UFT, Local No. 2 American Federation of Teachers, AFL-CIO. The UFT is an unincorporated association with its principal place of business in the City and County of New York and is the recognized bargaining agent for all nonsupervisory pedagogical personnel and classroom paraprofessionals employed by the Board of Education of the City School District of

⁶ LV et al. v. New York City Department of Education, 03-cv-9917 (LAP) (KNF), "Special Master Program Monitoring," Dkt. 333, December 1, 2023.

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the City of New York. The UFT supports policies, legislation and programs that promote attaining educational equity, closing the achievement gap and aiding the teaching profession and the lives of its members, their students and local school communities. The UFT brings this Complaint on behalf of all represented employees in the City School District of the City of New York.

- 26. Plaintiff United Community Schools ("UCS") is a teacher-inspired nonprofit, created by the UFT, which operates the largest network of community schools in New York City. UCS is dedicated to connecting the entire school students, teachers, principals, and counselors to the entire community to address the educational, emotional, social and health issues that can stand in the way of learning. UCS community school directors partner with many community based organizations throughout the City to serve the needs of each individual school.
- 27. Plaintiff Rebecca Lopez is a kindergarten teacher at PS/MS 279, a school located in the Bronx, which serves predominantly economically disadvantaged students, many in public housing, with a student population of approximately 50% primarily Spanish speakers. Ms. Lopez is a UFT member, an elected Chapter Leader and has served as the chairperson of her School Leadership Team for the past three years, which among other things, allows her to view and comment on school budgets. Ms. Lopez has observed the significant impact of the Mayor's indiscriminate and devastating budget cuts to her school community. In her own classroom, Ms. Lopez cannot afford basic equipment for her high-needs students or curricular materials for her class.
- 28. Plaintiff Miriam Sicherman is a third-grade teacher at PS 361, the Children's Workshop School in Manhattan, where she has taught for the past 23 years. She is a UFT member. This year, Ms. Sicherman has six migrant children in her class of 26 students, all

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Spanish speaking, four of whom do not have basic literacy in math and reading even in Spanish. Without any additional resources from the DOE, Ms. Sicherman is essentially running three classes within her third-grade class to accommodate and teach the migrant children with severe educational needs alongside her other third-grade students.

- 29. Plaintiff Beruryah Batyehudah is a third-grade teacher and UFT member at a Community School, Brooklyn Landmark Elementary School, a school already at capacity, that stands to lose considerable funding from the Mayor's cuts. Even before the cuts were announced, Ms. Batyehudah's class was already out of compliance with Integrated Co-Teaching Services (ICT) classroom guidelines, where no more than 12 or 40% of the students can have Individualized Educational Programs (IEPs). Ms. Batyehudah is also the parent of a first-grade student at Brooklyn Landmark Elementary School. Her daughter is in a class with 31 students that lacks sufficient resources.
- 30. Plaintiff Coffey McMillian is a Speech and Language Pathologist (SLP) at P.S. 335 (Granville T. Woods) elementary school in Brooklyn, NY. Ms. McMillian has been an SLP teacher at the school for 21 years. P.S. 335 already has limited staffing and space and the school cannot adequately serve the demands of its special education students. Ms. McMillian has had to use her own funds to pay for basic supplies, such as cleaning supplies, crayons and pencils. Because of the Mayor's cuts, upon information and belief, P.S. 335 has lost over \$520,000 in funding this school year.
- 31. Defendant City of New York is a municipal corporation and a political subdivision of the State of New York. The City's address is c/o Office of the Corporation Counsel, 100 Church Street, New York, New York 10007.

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32. Defendant Mayor Adams is the Mayor of the City of New York and is responsible for the annual preparation of the City's Preliminary and Executive Budget, which are submitted to the City Council for review and adoption. The Mayor is also responsible for executing and modifying the City's Adopted Budget during the fiscal year.

33. Defendant New York State Education Department ("NYSED") is a New York State agency constituted under New York Education Law § 101. NYSED is "charged with the general management and supervision of all public schools and all of the educational work of the state." N.Y. Educ. Law § 101. NYSED and the State are responsible under the New York State Constitution with adequately funding New York's system of education to ensure the provision of a "sound basic education." NYSED is sued as a necessary party to this action.

JURISDICTION AND VENUE

- 34. Jurisdiction is proper pursuant to CPLR Sections 3001 and 301.
- 35. Venue is proper in New York County, pursuant to CPLR Section 503(a) and 504(3) since, *inter alia*, at least one of the Plaintiffs resides in New York County, and the causes of action arose here.

FACTUAL ALLEGATIONS

I. The City School District and Education Funding

- 36. The New York City School District, composed of 1,867 schools, is the largest district in the Country.
- 37. According to the Mayor's Office, during the 2023-2024 school year, New York City's public schools had approximately 915,000 students. In 2022-2023, 14.1% of those students were English Language Learners; 20.9% were students with disabilities; and 72.8%

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were economically disadvantaged. The City School District is composed of over 80% students of color.⁷

- 38. Each year, the City of New York directs nearly 30% of its approximate \$110 billion budget to fund the operations of the DOE.⁸
- 39. This funding is crucial to supporting almost one million public school-age children in New York and their communities by providing instructional services, special education programs, multilanguage education, career and technical skill development and host of other services, while also providing the operational budget to pay the thousands of teachers, staff and DOE personnel.
- 40. The maintenance of school funding is vital to continuing early development programs, programs for students with disabilities and for keeping smaller class sizes, which in the years since the height of the pandemic has allowed teachers to provide the individualized academic and social-emotional support needed as they reconnect with students and help them to recover from the disrupted and disengagement that resulted from remote learning.
- 41. In 2007, in response to the Court of Appeals determination in the landmark case Campaign for Fiscal Equity, Inc. v. State, 8 N.Y.3d 14 (2006) that the State's funding mechanism for the New York City schools was constitutionally inadequate, the executive and legislative branches of government reformed the method of determining school aid for school district in the State of New York. The reform changed the way school funding was calculated at the state level, creating a new funding formula called "Foundation Aid," calculated on a per

⁷ "DOE Data at a Glance," NYC Public Schools, available at https://www.schools.nyc.gov/about-us/reports/doe-data-at-a-glance

^{8 &}quot;Spotlight: School Budget Allocations, A Primer" New York City Comptroller's Office, May 9, 2023, available at https://comptroller.nyc.gov/reports/spotlight-school-budget-allocations/#:~:text=Each%20year%2C%20the%20City%20of,Department%20of%20Education%20(DOE).

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student basis. Before the change, New York City schools, according to the Court of Appeals, had "the most student need in the State and highest local costs yet receive some of the lowest per-student funding..." *Campaign for Fiscal Equity, Inc. v. State*, 100 N.Y.2d 893, 932 (2003).

- 42. In October 2021, in response to new legislative action, the State agreed to fully fund the Foundation Aid formula, ensuring that students would receive a \$4.2 billion increase in school funding by the 2023-24 school year. At the time, the Governor recognized the importance of fully funding our education system, stating "[t]he future of our state depends on our ability to properly educate each child and Foundation Aid will apply a critical lens to address inequities and ensure schools in need receiving the funding they deserve."
- 43. Last school year, approximately 47% of the DOE's operating budget came from New York City funds; 40% came from New York State funds and Foundational Aid; and approximately 13% came from federal stimulus and other federal money.¹⁰
- 44. The DOE's total operating budget for the FY 2023 was \$31.4 billion, with nearly \$14.49 billion comprised of City funds; the operating budget for the FY 2024 school year (at the time of adoption) was \$31.5 billion with less money, \$14.14 billion, comprised of City funds.
- 45. The State budget for fiscal year 2024 adopted in May allocated \$9.43 billion in Foundation Aid and \$12.04 billion in formula-based school aid overall for New York City schools. State aid included \$337 million more than what the DOE initially included in the Mayor's Executive Budget.

⁹ Press Release, "Settlement in NYSER case marks new chapter in the fight for education justice," October 14, 2021, available at <a href="https://www.aqeny.org/2021/10/14/settlement-in-nyser-v-state-of-new-york-case-marks-new-chapter-in-the-fight-for-education-justice/#:~:text=The%20new%20settlement%20requires%20New,enshrined%20this%20commitment%20into%20la

justice/#:~:text=The%20new%20settlement%20requires%20New,enshrined%20this%20commitment%20into%20la <u>w</u>.

¹⁰ "Spotlight: School Budget Allocations, A Primer" New York City Comptroller's Office, May 9, 2023, available at https://comptroller.nyc.gov/reports/spotlight-school-budget-allocations/#:~:text=Each%20year%2C%20the%20City%20of,Department%20of%20Education%20(DOE).

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II. <u>Legal Protection of Education Funding</u>

46. Absent a true economic downturn, maintaining prior levels of funding for City

schools is non-negotiable. Educating the City's children is protected by at least two provisions

of state law and not subject to changing political priorities or the annual budgetary dance

between the Mayor and City Council.

i. Education Law § 2576(5-a) – The "Maintenance of Effort" Law

47. In 2002, the State Legislature passed a bill reorganizing the governing structure of

the New York City public school system, eliminating the City's existing 32 community school

boards and granting control over the City public school system to the Mayor (broadly referred to

as "Mayoral control").

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48. While granting the Mayor considerable authority over the operation of the school

system, the Legislature clearly recognized the need to protect the New York City schools from

any attempt to shift resources away from education.

49. Thus, as part of the mayoral control legislation, the Legislature included a revised

"maintenance of effort" provision that "prohibits the City from reducing spending in its schools

from the level provided in the preceding year unless overall City revenues decline. In that event,

the amount of City funds for school could only be reduced by an amount not more than the

annual percentage decrease in overall City funds."11

50. The Legislature's stated reason for the revision was "to ensure that, in the event

of an overall decline in City funds, NYC schools will be protected from disproportionate funding

reductions relative to other City functions."¹²

¹¹ Bill Jacket, Budget Report Memorandum at 4, L. 2002, Assembly Bill No. 11627, c. 91.

¹² *Id*.

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2576(5-a).

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51. The MOE Law sets forth the mandatory guidelines for the amount of funding that the City must provide to the Board of Education. The law provides that "the city amount shall not be less than the city amount appropriated in the base year." The "city amount" is defined as the "total amount of expenditures funded by city funds for the support of the city school district of the city of New York, not including city payments to bond or noteholders for debt service or payments for pension benefits for employees..." And "city funds" is defined as "funds of the city of New York derived from any source" except capital budget money and non-discretionary federal, state or private funds. "Base year" refers to the prior fiscal year. N.Y. Educ. Law §

- 52. The city amount appropriated in fiscal year 2023 was \$14,487,105,000; in the fiscal year 2024 Adopted Budget, the city amount was \$14,136,678,000.
- 53. By January, under the Mayor's plan, the overall amount of City funding will fall to \$13,878,136,000.
- 54. Because of the Mayor's budget cuts, including the upcoming additional 5% cuts in January, the City cannot maintain the same amount of funding to the City School District this school year, despite having far more overall anticipated revenue in 2024 than in 2023.
 - ii. "Supplement, Not Supplant" The Contract for Excellence Law
- 55. Moreover, in 2007, responding to the Court of Appeals' groundbreaking mandate in the historic school funding suit, *Campaign for Fiscal Equity, Inc. v. State,* 8 N.Y.3d 14 (2006), the State Legislature enacted a law entitled "Contract for Excellence" a carefully reticulated program that required targeted expenditures in designated areas to better support school districts in need of assistance.

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56. Foundational Aid was meant to take school district wealth and student needs into account to create a more equitable distribution of funding to schools. New York State thus appropriated billions of dollars of additional aid to education that school districts could obtain upon the submission of particularized plans meeting specified requirements.

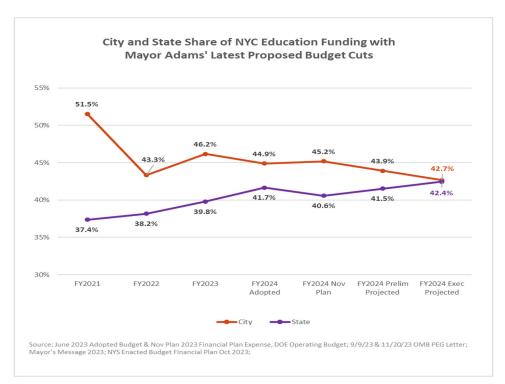
- 57. However, municipalities tend to reduce local effort when they receive state aid increases. Without a statutory requirement or formula structure that requires maintenance of local effort, there is no way to ensure that increases provide for the purposes of increasing student achievement will result in additional programs and services for students, rather than the funding of other city services.
- 58. For that reason, the Contract for Excellence law similarly requires that funds received must "supplement, not supplant" funding by the school district. Specifically, subdivision (6) of Education Law § 211-d requires that an audit report either by the New York City Comptroller or an accountant contain a certification that "the increases in total foundational aid and supplemental improvement plan grants have been used to *supplement, and not supplant* funds allocated by the district in the base year for such purposes." Educ. Law § 211-d(6).
- 59. The fiscal year 2024 State budget contained \$575.8 million for the Contract for Excellence program, a 20% increase from FY 2023. The increase is part of a three-year contract phase-in, which is expected to be followed by an additional 40% in the next two school years.
- 60. Because of the Mayor's severe budget cuts to education, the \$575.8 million from Contract for Excellence will necessarily have to be used by schools to supplant, rather than supplement funds allocated by the City for New York City Schools.
- 61. In fact, as State funding to education has increased, the relative contribution of City funds to the DOE budget has decreased. The City's contribution in the FY 2024 Adopted

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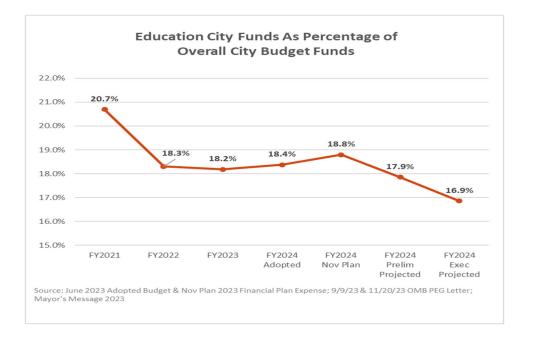
Budget was 44.9% of the total budget, down from the 46.2% share of City funds in the FY 2023 Adopted Budget.

62. The figures in the last three years reflect a steady erosion of City funding to the City School District relative to State funding, which reached a height of 51.5% of the DOE budget in FY 2021. Unless the Mayor's stated budget cuts are stopped, the total City spending on the DOE will fall to 42.7% of the DOE budget this upcoming April, the lowest it has been in the past five years.



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- 63. At a time when state funding is significantly increasing, the amount expended on Contract for Excellence programs must decrease in FY 2024, violating Education Law § 211-d.
- 64. Indeed, the FY 2024 Adopted Budget violated the State Education Law when it was first adopted.

III. The Mayor's Draconian Illegal Cuts

- i. Budgeting in a Healthy City Economy
- 65. City budgeting, and revenue projections in particular, are informed by the health of the local and national economies.
- 66. The continued strength of nearly all relevant economic indicators in New York City juxtaposed with the Mayor's calculatingly foreboding financial outlook, demonstrates that the Mayor's recent actions are driven more by a "crisis" of budget management, leadership and problem solving, as opposed to an influx of migrants to New York.
- 67. To start, New York City's economy has proven itself resilient in the wake of the COVID-19 pandemic and has exceeded expectations for its recovery. The City's economy

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continued to grow robustly in Fiscal Year 2023, with many of the most important economic signals returning to or surpassing pre-COVID levels.¹³

- 68. As the Mayor himself put it this past September,

 "[a]s I often say, New York is not coming back New York is back. And the numbers from our first full fiscal year in office show it."¹⁴
- 69. Jobs ended the year near their pre-pandemic peak. By the end of FY 2023, 925,900 of the 965,500 jobs lost between February and April 2020 had been recovered. The labor participation rate and employment population ratios reached new highs and the unemployment rate was 5.4% in June 2023, down considerably from 21.4% in May 2020.¹⁵
- 70. Tourism continues to reach pre-COVID levels. The March 2023 outlook from the City's tourism agency projected a total of 63.3 million and 69.6 million visitors to the City in calendar year 2023 and 2024, respectively, exceeding the previously high established in 2019. Taxable sales in New York City were 24.4% higher in FY 2023 than even before the pandemic in FY 2019.¹⁶
- 71. Perhaps most notably, actual FY 2023 revenues were \$7.85 billion more than projected in the FY 2023 Adopted Budget, driven by a \$5.688 billion increase in tax revenues.¹⁷
- 72. Overall, the City availed itself of \$12.531 billion in additional resources that were primarily used to close the asserted \$5.4 billion FY 2024 projected budget gap, fund certain

¹³ Annual Comprehensive Financial Reports for the Fiscal Years Ended June 30, 2023 and 2022, Office of the Comptroller, October 26, 2023.

¹⁴ Press Release, "Mayor Adams Releases FY23 Mayor's Management Report," September 15, 2023, available at https://www.nyc.gov/office-of-the-mayor/news/666-23/mayor-adams-releases-fy23-mayor-s-management-report

¹⁵ Annual Comprehensive Financial Reports for the Fiscal Years Ended June 30, 2023 and 2022, at xiv.

¹⁶ *Id*.

¹⁷ *Id.* at xvi.

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greater than budgeted contract costs (\$2.055 billion) and pay greater than expected overtime costs (\$1.112 billion).¹⁸

- 73. Nearly \$1.5 billion of additional resources collected during the FY 2023 year were used to fund the unanticipated cost associated with providing services and shelter to people seeking asylum.¹⁹
- 74. The positive economic numbers led the Mayor last year to propose an Executive Budget for the 2024 fiscal year of \$106.69 billion, a figure that included \$4 billion more in spending than his preliminary proposal.
- 75. Despite acrimony between the City Council and the Mayor over budget priorities and needed "efficiencies," to streamline the running of the City, the Mayor announced at the time of his Executive Budget that "[i]nstead of forcing cuts that could hurt New Yorkers, we found other ways to balance the budget so that we can preserve our quality of life."²⁰
- 76. Ultimately, the Citywide Adopted Budget for 2024 totaled \$107.12 billion, reflecting an increase of \$426 million in spending from the Executive Budget, driven largely by the greater formula-based school aid included in the State budget.
- 77. That said, despite the significant increase of state aid, the total amount of City funds allocated to the Department of Education in the 2024 Adopted Budget was less than the total amount of City funds appropriated in fiscal year 2023.

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¹⁸ *Id*.

¹⁹ *Id*.

²⁰ Katie Honan and Greg David, "City Budget Grows Even as Mayor Adams Warns of Financial Woes," The City, April 26, 2023, available at https://www.thecity.nyc/2023/04/26/city-budget-mayor-adams/

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ii. Failed Negotiations and the Unnecessary Budget Cuts

78. The migrant crisis and its anticipated costs that is now the professed reason for the

Mayor's devastating cuts were well known to the Mayor and his Administration at the time the

FY 2024 budget was adopted.

79. The City's fiscal year begins on July 1st, with the budget adopted by June 30 of

the previous year.

80. The "November Plan" is the first update to the adopted financial plan and current

budget that is to be issued during the second quarter of the fiscal year, covering the current year

and the three outyears. The next fiscal year does not need to be balanced in the November Plan.

(N.Y. City Charter § 258c(2)(c)).

81. Nearly every year, the City's November Plan includes a "Program to Eliminate

the Gap" (PEG), a process by which, at the Mayor's urging, City agencies re-examine internal

processes, use of resources and re-estimate their expenses to make adjustments to reduce the

burden on City funded dollars and attempt to close the "gap" in the current fiscal year and

financial plan outyears.

82. Typically, PEG program adjustments do not impact day-to-day school budgets or

funding, and ordinarily consist of items such as reduced vacant positions in the school system,

re-estimations of fringe benefits, and implementation of short-term hiring freezes.

83. For example, the November 2022 PEG program last budget cycle targeted \$916

million in total savings across all City agencies. The DOE PEG program cut \$153 million from

the DOE in current year adjustments, primarily consisting of less than anticipated spending on

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personal services due to late hiring starts, reduced need for school safety officers and lower than anticipated staffing changes due to the DOE's vaccine mandate.²¹

- 84. By sharp contrast, the cuts in the November 2023 PEG program that are the subject of this action total nearly \$3.7 billion over the next two fiscal years.
- 85. This past August, after an influx of asylum seekers arrived during the summer, the Mayor increased the projected cost estimate of providing shelter and support to asylum seekers by adding \$2.33 billion in the current fiscal year, and \$4.1 billion in the next fiscal year.
- 86. Then in September, the Mayor again increased his estimate of asylum costs and set his sights on eviscerating the City's budget, announcing a 15% PEG that would result in a \$9.6 billion cut in the current fiscal year and a \$9.7 billion cut in the next fiscal year.
- 87. To date, there has not been a detailed accounting or any support provided for the drastic increase in cost for migrants coming to New York City.
- 88. Upon information and belief, the revised estimate of the cost of asylum seekers by approximately \$5 billion created the supposed deepening "gap" in the outyears, and added \$5 billion in allocated funds in the budget to various City agencies.
- 89. Yet, of the \$5 billion in additional FY 2025 funds added to the budget in November, *not a single additional cent* has been allocated to the Department of Education, despite the approximate 30,000 migrant students in need of educational services.
 - 90. The November Plan allocates:
 - a. \$2.6 billion to NYC Health and Hospitals
 - b. \$1 billion to the Department of Homeless Services
 - c. \$600 million to the Department of Housing Preservation and Development

²¹ The November 2022 PEG program reduced \$283 million in future budgeted dollars beginning in FY 2024 from the City's 3-K program, continuing this Mayor's commitment to dismantling the prior administration's establishment of universal 3-K and pre-K for all.

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d. \$400 million to the Department of Citywide Administrative Services

- e. \$131 million to NYC Emergency Management
- f. Only \$3.2 million to the Administration for Children's Services
- g. Only \$13.5 million to the Department of Social Services
- h. Only \$1.4 million to the Department of Youth and Community Development.
- 91. The budget allocations make clear that the Mayor has little interest in complying with statutory mandates to maintain the school district's level of funding or ensuring that increased state funds are used to supplement, rather than supplant, City funding.
- 92. The 2024 PEG cuts will cost the DOE \$547 million in immediate funding. If the January and April additional 5% cuts are implemented, they would deprive the DOE of close to \$2 billion dollars the next two years.
- 93. These cuts come as City revenues excluding state and federal aid increased by \$5 billion last year, totaled approximately \$8 billion more than projected, and as the City Council projects that the City will receive \$1.2 billion more in tax revenue than estimated by the City's Office of Management and Budget.
- 94. The Mayor has repeatedly tried but failed to negotiate additional state and federal funding. At the time the cuts were firsts announced, the Mayor openly negotiated with federal and state officials, stating "we need Washington and Albany to finally do their part by paying their fair share…"²² The Mayor's Chief Advisor said it more pointedly, indicating that the PEG

²² Press Release, "Amid Deepening Asylum Seeker Crisis, Mayor Adams Announces New Steps to Stabilize City's Budget as Required by Law," September 9, 2023, available at https://www.nyc.gov/office-of-the-mayor/news/650-23/amid-deepening-asylum-seeker-crisis-mayor-adams-new-steps-stabilize-city-s-budget-as

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program was being instituted because "[t]he federal government has all but abandoned New York City, and the State is not doing its fair share to assist New York City."²³

- 95. In a transparent attempt to coax officials to listen to his pleas, the Mayor even left room for restoring the significant funding cuts to City agencies: "If Albany and Washington, DC provide significant and timely financial support and reduce the strain on New York City" the Administration would "reevaluate the need for substantial cuts to city-funded spending."²⁴
- 96. Upon information and belief, the City is able to tap into state funding of up to an additional \$1 billion in reimbursements for asylum seekers, yet the City has not applied for those funds or other outside funds.
- 97. The Mayor's posturing is not only part of his negotiations with the federal and state government, but also with his negotiations with the City Council and City agencies.
- 98. The Mayor's cuts come conveniently on the eve of the formal process that leads to the development of school budget allocations, which begin early in the calendar year upon the release in January of the City's Preliminary Budget for the upcoming fiscal year.
- 99. While the cost of the asylum seekers coming to New York is substantial, the Mayor's estimates and re-estimates do not add up.
- 100. Independent budget groups and politicians alike have recognized how severe, blunt and unnecessary these cuts are in light of current budgetary conditions.
- 101. The Fiscal Policy Institute ("FPI"), a leading nonpartisan, research organization and leading expert on the City's economy and budget issued a statement explaining that the Mayor significantly overstated the fiscal strain of the migrant crisis. FPI's analysis found that the City's portion of the cost for asylum seekers over the next two year would be \$8.9 billion, of

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²³ *Id*.

²⁴ *Id*.

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which \$2.4 billion was already budgeted for in the adopted budget, putting the City's new funding need at \$6.5 billion for the next two years, billions of dollars less than the \$10 billion per year called for by the Mayor's cuts.²⁵

- 102. Other politicians were less precise, but equally appalled. Councilwoman Gale Brewer, a member of the City Council Finance Committee, stated flatly, "Oh, my God! I don't think any agency could take a 5% cut. It would be detrimental to quality of life—no question."²⁶
- 103. Since at least January of 2023, when the influx of migrants had, to that point, cost the City some \$300 million, the Mayor has failed to provide a cohesive plan or vision for the asylum seekers, instead singularly focusing on additional state and federal aid and on budgetary cuts in the absence of such funding.
- 104. For over a year, the Mayor has waited and unsuccessfully negotiated with the state and federal government, now seeking to foist the failure of those efforts and inability to solve or even competently manage the migrant problem on the backs of the students and teachers in New York City.
- 105. Last year, when federal funding did not appear forthcoming, immigration experts commented that the City needed "to be talking about what is in the realm of possibility in this moment with the federal government that we have," and suggested the Mayor focus instead on moving people from the shelter system to permanent affordable housing rather than on

²⁵ "Breaking Down the Fiscal Impact of City Aid to Migrants," Fiscal Policy Institute, September 12, 2023, available at https://fiscalpolicy.org/breaking-down-the-fiscal-impact-of-city-aid-to-migrants

²⁶ Rich Calder and Carl Campanile, "Adams Warns Cuts of up to 15% Coming to Every NYC Agency Over Migrant Crisis Is 'Detrimental'", N.Y. POST, September 9, 2023, available at https://nypost.com/2023/09/09/5-percent-cut-coming-to-nyc-agencies-due-to-migrant-crisis/

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seemingly unobtainable funding.²⁷ Other potential solutions, including partnering with City non-profits and expanding access to CityFHEPS housing voucher eligibility to all New Yorkers, regardless of immigration status (to potentially reduce the housing costs of asylum seekers by \$3.58 billion), were never seriously explored.²⁸

- 106. Instead, ever shifting, haphazard and inconsistent approaches to the issue followed and were predictably unsuccessful. In June of this year, the Mayor floated a plan to pay New Yorkers to offer their homes to the asylum seekers and discussed housing migrants in Gracie Mansion;²⁹ in July, the Administration distributed flyers at the southern border discouraging them from coming to New York City.³⁰
- 107. A 60-day notice period for asylum seekers to leave the New York City shelter system began in July, followed by a cut to a 30-day period at the end of September, followed by a 60-day notice for migrant families in October.
- 108. The 60-day eviction policy to families, which remains the Administration's current policy, is particularly ill-conceived without a broader-based solution, threatening to disrupt students, teachers and school communities who welcomed migrant children into their schools.

²⁷ Jeffery C. Mays, "Mayor Adams Again Asks for Help on Migrants, This Time in Washington," N.Y. TIMES, January 18, 2023, available at https://www.nytimes.com/2023/01/18/nyregion/eric-adams-immigration-asylum.html

²⁸ Report, "Expanding Housing Vouchers to Asylum Seekers Could Save New York City \$3 Billion Annually," New Yok City Immigration Coalition, August 23, 2023, available at https://www.nyic.org/2023/08/report-expanding-housing-vouchers-to-asylum-seekers-could-save-new-york-city-3-billion-annually-2/

²⁹ Danielle Muoio Dunn and Madina Toure, "*Adams Floats Housing Migrants in NYC Mayor's Mansion*," POLITICO, June 7, 2023, available at https://www.politico.com/news/2023/06/07/eric-adams-migrants-gracie-mansion-00100381

³⁰ Joe Anuta, "NYC Mayor Warns Away Migrants With 'No Vacancy' Fliers, POLITICO, July 19, 2023, available at <a href="https://www.politico.com/news/2023/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=The%20Adams%20administration%20is%20planning,coming%20to%20New%20York%20City. <a href="https://www.politico.com/news/2023/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=The%20Adams%20administration%20is%20planning,coming%20to%20New%20York%20City. <a href="https://www.politico.com/news/2023/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=The%20Adams%20administration%20is%20planning,coming%20to%20New%20York%20City. <a href="https://www.politico.com/news/2023/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=The%20Adams%20administration%20is%20planning,coming%20to%20New%20York%20City. <a href="https://www.politico.com/news/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=The%20Adams%20administration%20is%20planning,coming%20to%20New%20York%20City. <a href="https://www.politico.com/news/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=The%20Adams%20Administration%20is%20planning,coming%20to%20New%20York%20City. <a href="https://www.politico.com/news/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=News/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=News/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=News/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=News/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=News/2024/07/19/new-york-city-has-run-out-of-room-for-migrants-for-real-this-time-00107107#:~:text=News/2024/07/19/new-york-city-has-run-out

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109. As educators built up trust and made schools a secure, consistent environment for asylum seeker children, 3,300 families with children were notified of imminent eviction from their housing at the beginning of this month, potentially uprooting the students and their families during the coldest time of year.³¹

IV. The Impact of the Severe Budget Cuts on Plaintiffs

- 110. Based on unverified re-estimates of outyear gaps, the Mayor has threatened the health, safety and well-being of New Yorkers, and teachers and students in the New York City schools, in particular.
- 111. The reallocation of DOE funding to other City agencies will be experienced immediately.
- 112. Plaintiff Rebecca Lopez is a kindergarten teacher at PS/MS 279, a school located in the Bronx, which serves predominantly economically disadvantaged students, many in public housing, with a student population of approximately 50% primarily Spanish speakers. In her own classroom, Ms. Lopez cannot afford basic equipment for her high-needs and disabled students or curricular materials for her class. Students at Ms. Lopez's school, PS 279, were already denied access to the oversubscribed Summer Rising Program last summer and will likely be denied access again this year due to cuts to the program.
- 113. Plaintiff Miriam Sicherman is a third-grade teacher at PS 361, the Children's Workshop School in Manhattan, where she has taught for the past 23 years. This year, Ms. Sicherman has 6 migrant children in her class of 26 students, all Spanish speaking, four of whom do not have basic literacy in math and reading even in Spanish. Without any additional resources from the DOE, Ms. Sicherman is essentially running three classes within her third-

³¹ Gwynne Hogan, "City Delays Christmas Week Family Shelter Evictions After Outcry," THE CITY, December 6, 2023, available at https://www.thecity.nyc/2023/12/06/christmas-repreive-migrant-shelter-evictions/

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grade class to accommodate and teach the migrant children with severe educational needs alongside her other third-grade students. This situation not only fails to support the migrant students, but also adversely impacts her other students.

- 114. The cuts have reached City schools and UFT teachers serving some of the highest-needs students in the City. Upon information and belief, individual schools in District 75 have been asked to cut close to \$1 million from their budgets, to take effect immediately, in some of the deepest cuts the Mayor has imposed. The significant cuts threaten these schools and the 26,000 students, many of whom have complex disabilities. The schools are already struggling to accommodate increasing enrollment and to comply with special education mandates; the cuts will exacerbate significant staffing and resource shortages.
- 115. Plaintiff United Community Schools operates the largest community school network in New York City and is facing immediate budget cuts to schools in their network across all five boroughs. Upon information and belief, budget cuts to staffing include critical cuts to the funding of Community School Directors, Program Managers, Directors of School Support and Directors of Operations; budget cuts to community school programs include cuts to afterschool programming such as sports, music, art classes, academic tutoring, school trips, and mental health support; budget cuts also include slashing professional development and trainings, conferences, student trips, food pantries, equipment, and school and cleaning supplies.
- 116. Plaintiff Beruryah Batyehudah is a third-grade teacher at one such community school, Brooklyn Landmark Elementary School, a school already at capacity, that stands to lose considerable funding from the Mayor's cuts. Even before the cuts were announced, Ms. Batyehudah's class was already out of compliance with Integrated Co-Teaching Services (ICT)

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classroom guidelines, where no more than 12 or 40% of the students can have Individualized Educational Programs (IEPs).

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117. In Ms. Batyehudah's ICT class and in other classes at her school, approximately 80% of students in ICT classes have IEPs. Because of the lack of funding, no new classrooms can be opened at Brooklyn Landmark Elementary, and because of the Mayor's budget cuts, upon information and belief no new classes will be opened. Ms. Batyehudah has a new student that arrived mid-year that requires Special Education Teacher Support Services (SETSS), commonly known as resource room. Because Brooklyn Landmark Elementary does not have a SETTS teacher and does not have the funding for additional teachers or classrooms, Ms. Batyehudah, was given the student.

- around, she bought her own classroom desk for funds were unavailable, and students at Brooklyn Landmark will now not have access to afterschool academic tutoring and test prep for state tests because there is insufficient money in the budget to provide it. In fact, the afterschool test prep program has been reduced from four days to two days and Saturday school has been completely eliminated, harming students and teachers who rely on these programs to help bring students up to grade level and reduce educational inequities.
- 119. Ms. Bateyhudah is not only a teacher at Brooklyn Landmark, she is also the parent of a first-grade student in the school. Ms. Bateyhudah's daughter is in a class of 31 students. The Mayor's budget cuts and the impermissible number of students in her daughter's class will prevent Ms. Bateyhudah's daughter from receiving a constitutionally adequate level of education.

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120. Other community schools have lost a significant amount of money because of the Mayor's cuts. Upon information and belief, P.S. 335 (Granville T. Woods) in Brooklyn loses \$522,814 in immediate funding to their budget; Queens High School for Information, Research and Technology loses \$436,859; Seth Low Intermediate School 96 in Brooklyn loses \$471,399; and PS 030 Elementary in Manhattan loses \$482,621.

- 121. Plaintiff Coffey McMillan is an SLP teacher at P.S. 335 elementary school in Brooklyn. P.S. 335 is already operating at capacity. The inability to hire additional staff has made it exceedingly difficult to meet the demands of the school's special education population. The budget cuts impact school resources, programming and personnel. Ms. McMillan has seen a severe drop off in school resources and after-school programming and has even had to purchase her own school and cleaning supplies for her office. The Mayor's \$522,814 in budget cuts to P.S. 335 make adequately serving the school's largely underprivileged population nearly impossible.
- 122. The Mayor has repeatedly said that going through and slashing the budget is one of the more "painful exercises" he has had to go through in his years in government.³²
- 123. For Plaintiffs in this lawsuit and the hardworking people of New York, the Mayor's unnecessary, draconian and harmful cuts are not just a government "exercise" that will end when the budget cycle is complete. The cuts will impact their lives every day; it will worsen New York's affordability crisis, delay the City's recovery and, more fundamentally, deny the vital childcare assistance and public education that help all New Yorkers raise families in this City.

³² Emma Fitzsimmons, "Eric Adams Slashes Budgets for Police, Libraries and Schools," N.Y. Times, Nov. 16, 2023, available at

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COUNT I

(Violation of Education Law § 2576(5-a))

- 124. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 to 123, as if fully set forth herein.
- 125. Education Law § 2576(5-a), the State "Maintenance of Effort" Law, prohibits

 New York City from reducing spending on its schools from City funds from the level provided in the preceding year unless overall City revenues decline.
- 126. Specifically, the Education Law mandates that the amount expended on the City School District in any fiscal year "shall not be less" than the amount appropriated to the Department of Education in the budget of the previous year unless revenues decline.
 - 127. City revenues have not declined.
- 128. The City's Adopted Budget for FY 2024 violates the Education Law by allocating less money to the DOE than last fiscal year.
- 129. The Mayor's \$547 million in immediate budget cuts to the Department of Education and proposed cuts of close to \$2 billion violates the City's Maintenance of Effort Law. The City cannot maintain the level of last fiscal year's spending on City Schools with the actual and forthcoming budgetary cuts.

COUNT II

(Violation of Education Law § 211-(d)(1)(e) and § 211-(6))

- 130. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 to 129, as if fully set forth herein.
- 131. Under Education Law § 211-(d)(1)(e), the amount budgeted for the Contract for Excellence program cannot not be less than the amount set for the prior year. N.Y. Educ. L. § 211-(d)(1)(e).

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132. Subdivision (6) of Education Law § 211-d requires a yearly certification contained within an annual audit for the program that the increases in aid and grants from the program "have been used to *supplement, and not supplant* funds allocated by the district" in the prior year. N.Y. Educ. L. § 211-(d)(6).

- 133. The amount budgeted for covered Contract for Excellence programs is less this year than last year.
- 134. Because of the Mayor's action, which has cut \$547 million from the current year budget and sets in motion the excising of another approximate \$2 billion in the next two fiscal years, Contract for Excellence funds have been, and will continue to be used to "supplant" rather than "supplement" City funds allocated by the district in violation of Education Law §211-d.

COUNT III

(Violation of Article XI, § 1 of the New York Constitution – Sound Basic Education)

- 135. Plaintiffs repeat and reallege the allegations set forth in paragraphs 1 through 134 as if fully set forth herein.
- 136. As a consequence of the budget cuts, New York City public school students will be deprived of their respective individual rights to a "sound basic education" under Article XI, § 1 of the New York State Constitution. N.Y. Const. art XI, § 1; see also Campaign for Fiscal Equity Inc. v. New York, 655 N.E.2d 661, 665 (1995).
- 137. Article XI, § 1 of the New York Constitution (the "Education Article") provides that "[t]he legislature shall provide for the maintenance and support of a system of free common schools, wherein all the children of this state may be educated." N.Y. Const. art. XI, § 1.
- 138. The New York Court of Appeals has interpreted the term "education" to mean "a sound basic education" to which all students within the state are entitled and one that is

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"meaningful" and which prepares school children to function productively as civic participants." Campaign for Fiscal Equity, Inc. v. State, 801 N.E.2d 326, 332 (2003).

- 139. In response to the Court of Appeals' CFE decisions that held that New York
 City's one million public school students were being denied sufficient funding to provide them
 the opportunity for a sound basic education, the State Legislature in 2007 enacted an extensive
 education reform statute that substantially revised the state education finance system. The
 Budget and Reform Act of 2007 committed the state to providing substantial increases in
 funding to the New York City school district and to other school districts throughout the State
 over a four-year phase-in period.
- 140. After years of being behind the 2007 phase-in, the State committed to fully funding to the New York City School District by the 2024 School Year.
- 141. The Mayor and the City's budget cuts leave City Schools behind mandated level of funding for school programs and services necessary to provide a sound basic education to all New York City children.
- 142. The budget cuts deprive students of the programs, teachers, and activities necessary to a balanced and meaningful education, one that provides sufficient educational opportunities to all children.
- 143. As a municipality of New York State, New York City is bound by the New York State Constitution and laws passed by the State Legislature. In the context of Education Article claims, the City is a "creature[s] or agent[s] of the State." *N.Y. Civil Liberties Union v. State of New York*, 4 N.Y.3d 175, 182 (2005).

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WHEREFORE, Plaintiffs respectfully request that this Court:

(i) Declare that the Mayor's November modifications to the City Financial Plan are violative of the State Education Law and the New York State Constitution;

- (ii) Declare that the Mayor's announced further budget cuts are similarly violative of the State Education Law and New York State Constitution;
- (iii) Order the City of New York to restore funding to the Department of Education in an amount no less than the amount appropriated in the Adopted FY 2023 Fiscal Budget and Financial Plan;
- (iv) Award Plaintiffs reasonable attorneys' fees, expenses and costs of this proceedings; and
 - (v) Grant such other relief as this Court deems is just and proper.

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Dated: New York, New York December 21, 2023 **STEPTOE LLP**

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