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**CAMPAIGN FOR FISCAL EQUITY HAILS GOVERNOR SPITZER'S HISTORIC
COMMITMENT TO EDUCATION**

Governor's Budget Addresses All Points of CFE Lawsuit

(New York, NY) – January 31, 2007 – Today marks a major landmark in a journey that began more than thirteen years ago when the Campaign for Fiscal Equity (CFE), along with a group of concerned parents, sued the State for unfairly and inadequately distributing funds to New York's schools. Governor Spitzer has addressed all the elements of the CFE lawsuit by making a historic commitment to fully fund New York's schools, to replace the highly politicized school funding system with a foundation aid formula based on need, and to implement strong accountability measures to ensure academic results. Geri Palast, CFE's Executive Director, called the Governor's plan "a blueprint for statewide school reform that gives substance to the constitutional right to a sound basic education founded on the thirteen years of litigation that brought us to this ground-breaking moment."

CFE had called on the Governor to fulfill his campaign pledge to provide between \$4-6 billion for City schools and up to \$8.5 billion statewide. Today he made good on his promise on all counts. Under the Governor's proposal, New York City schools will receive an additional \$5.4 billion over four years with \$3.2 billion from the State and \$2.2 billion from New York City. Over the next four years, New York State will receive \$7 billion in total new state education funding aid; New York City's additional contribution brings the total new investment to \$9.2 billion. The Governor's proposal will increase total annual state education aid from the current level of \$17.6 billion to \$24.7 billion in four years. Equally important, all future education funding will be the product of a new foundation formula which takes district poverty and inflation into account.

CFE strongly supports the Governor's historic education budget, formula reform and accountability proposal, a triumph for the education reform movement. This reform, grounded in the policy that emerged from the litigation, must now be written into law and then implemented. "CFE's work is far from done. We will be a full partner with Governor Spitzer in enacting this long-awaited budget and reform initiative. We call on parents and citizens to join us in sending a strong message of support to the legislature," said Palast. "We urge Speaker Silver and Majority Leader Bruno to support full education funding through a fair, transparent and reliable formula with strong accountability. Once we have secured reform, we will turn our attention to the districts to construct their Contracts for Excellence and ultimately, give voice to a vigilant community assessing performance and effective use of these funds," explained Palast.

"With comprehensive funding in strategies that work—universal pre-kindergarten, smaller classes, quality teachers and more time on task—and an accountability system that includes public participation as an integral element of reform, New York can fulfill its duty to educate its public school children so that they graduate from high school as citizens empowered, skilled, and fully prepared to thrive in the global economy," Palast concluded.

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